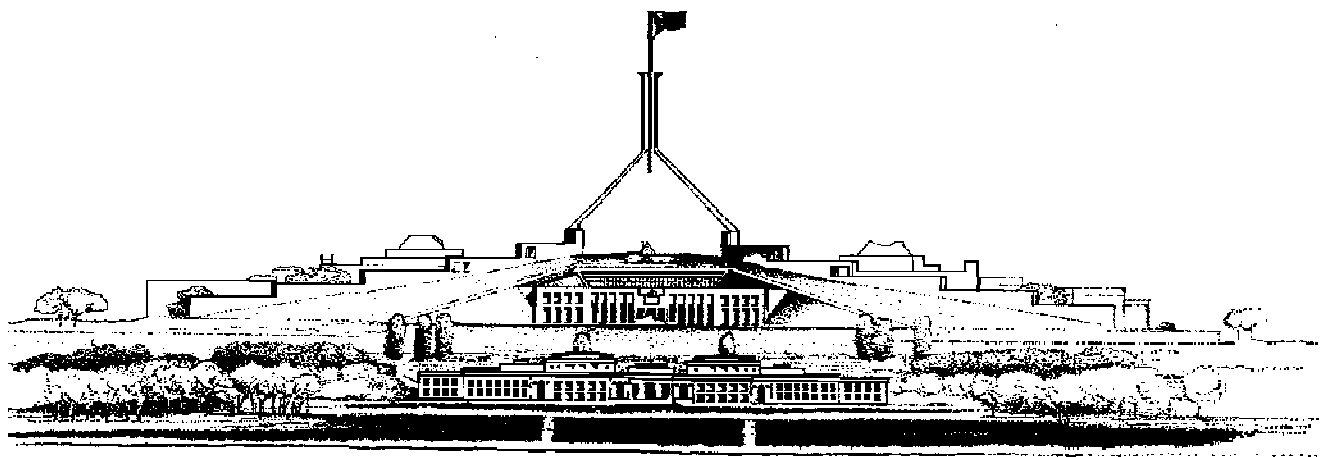




COMMONWEALTH OF AUSTRALIA
PARLIAMENTARY DEBATES



SENATE

Official Hansard

MONDAY, 6 DECEMBER 1999

THIRTY-NINTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

BY AUTHORITY OF THE SENATE
CANBERRA

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Monday, 6 December 1999

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

PRIVILEGE

The **PRESIDENT** (12.30 p.m.)—Senator Allison has raised a matter of privilege under standing order 81. She has provided me with a letter in which a person who made a submission to the Senate Select Committee on A New Tax System states that he was threatened as a consequence of his submission and also indicates that a threat was made against another person who made a submission to that committee.

Threats to witnesses in consequence of their evidence are regarded as falling into the most serious category of contempts of the Senate and have always been regarded by the Senate and by the Standing Committee of Privileges as meriting close investigation. Every case of an alleged threat to a witness raised in the past has been referred to the committee by the Senate and treated extremely seriously. The matter clearly meets the criteria which I am required to consider. I therefore determine that a motion to refer this matter to the Standing Committee of Privileges may have precedence in accordance with standing order 81. I table the letter from Senator Allison and the attachments.

NOTICES

Presentation

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

That the following matter be referred to the Committee of Privileges:

Whether threats were made against persons who made submissions to the Select Committee on A New Tax System in consequence of their submissions to the committee and, if so, whether any contempt was committed in that regard.

A NEW TAX SYSTEM (INDIRECT TAX AND CONSEQUENTIAL AMENDMENTS) BILL (No. 2) 1999

First Reading

Bill received from the House of Representatives.

Motion (by **Senator Ian Campbell**) agreed to:

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

Bill read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (12.33 p.m.)—I table the revised explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The legislation enacting the new tax system was passed by this Parliament in June. Since then, we have seen lower prices for goods such as TVs and stereos, as a result of reductions in wholesale sales tax on these items.

This is just the beginning of the new tax system that will deliver better outcomes for consumers, businesses, families, farmers and the community as a whole.

Since the introduction of the GST legislation, we have been engaged in an extensive consultation process. This continuing process of consultation has involved a broad cross section of industry and community sector representatives, the States and Territories, the Tax Office, and other Commonwealth Departments.

Through this process, we have responded to concerns that have been expressed and have assessed the fine-tuning required to ensure that the GST is implemented in the most effective way.

This bill includes amendments that the Government considers are necessary to provide a smooth transition to the new tax system.

Immediate deductibility of expenditure by small and medium sized businesses on GST-related plant or software

This bill will implement a major initiative of the Government to assist small and medium sized

businesses as they prepare for the introduction of the GST.

As the Government announced on the 19th of August, there will be an immediate income tax deduction for small and medium sized businesses for expenditure incurred in acquiring or upgrading plant or software to prepare for the GST.

This immediate deduction will have an estimated revenue cost of \$175 million in the 2000-2001 financial year. It is in addition to the \$500 million that the Government is providing to help small and medium businesses, charities and education bodies prepare for the start of the GST.

The deduction will be available to a business with an annual turnover not exceeding \$10 million. The turnover test will include the turnover of any entities connected to the business.

The deduction will apply to expenditure on acquiring or upgrading plant to meet obligations, or exercise rights, under the GST law. It is to be available for expenditure incurred during the current financial year.

Change to treatment of general insurance

A significant change is made to the special GST rules that apply to general insurance. These amendments result from consultation with the general insurance industry and they simplify the treatment of general insurance without altering the fundamental basis of the policy.

This will mean that, generally, businesses will not be liable for GST on settlement payouts they receive.

The new rules will reduce compliance costs for all registered entities that have insurance policies and also for insurers.

Structural flexibility for certain non-profit bodies

This bill will amend the GST law to provide flexibility for charitable institutions, trustees of charitable funds, gift deductible entities and certain non-profit bodies that are income tax exempt to treat separately identifiable units of their organisations as though they are separate entities for GST purposes.

The compliance benefits of these amendments have resulted from discussions with the Charities Consultative Committee—established by the Prime Minister to address the effect of GST on the charities sector.

Second-hand goods

Changes to the provisions applying to second-hand goods will better achieve the original policy intent of those provisions.

- We are clarifying the treatment of goods that are acquired whole and then broken down for sale, such as in the case of motor vehicle dismantlers,

or goods acquired collectively and sold separately, such as goods purchased in lots at auction;

- We are eliminating much of the administrative burden associated with small items;
- We are proposing an anti-avoidance measure to require substantiation of the price of second-hand goods from the unregistered sector;
- And we are excluding animals and livestock from the definition of second-hand goods.

Imported telecommunications services

With the substantial growth in the availability of telecommunications products, this bill proposes an amendment to ensure that the GST captures all telecommunications services that are used in Australia, irrespective of where the supplier is based. This amendment makes sure that the domestic industry is not put at a competitive disadvantage.

Service provided to non-residents but used in Australia

Another amendment will ensure that services provided to non-residents, who are not in Australia at the time the service is provided, are taxable where that service is used or enjoyed by another person in Australia, for example, an employee of the non-resident. Without this amendment it is possible that some supplies that are effectively used or enjoyed in Australia may not be subject to GST.

Supply of farm land

The Government is also seeking to amend the GST Act to ensure that the sale of farm land is GST-free even if the entity supplying the land is different from the entity carrying on the farming business on the land. That is, the supply is GST-free provided that farming business has been carried on the land for 5 years.

A further amendment clarifies that the supply of farmland is only GST-free if it is the sale of farmland or a supply by way of long-term lease.

Adjustments for stock on hand for a new registrant

An amendment to the GST law will allow an unregistered entity at the time it becomes registered to claim input tax credits for the GST included in the cost price of stock held for sale or manufacture. This prevents the double taxation that would otherwise occur.

Treatment of vouchers

This bill will ensure that certain vouchers, for example, gift vouchers, are subject to GST at the time of redemption. It will apply to vouchers that have a specified monetary value. Bus tickets, postage stamps and vouchers for specified goods or services will continue to be taxed at the time the ticket or voucher is supplied.

This amendment was requested by the Australian Retailers' Association and will be welcomed by the industry.

Petroleum Resource Rent Tax and Wool Tax

This bill contains amendments to remove GST from the calculation of the tax base of the Petroleum Resource Rent Tax and Wool Tax. This is a consequential taxation issue, reinforcing the Government's intention not to increase the revenue received from other Commonwealth taxes as a result of the GST.

Ensure that non-incorporated bodies are carrying on the enterprise and not the members

To confirm the entity basis for GST liability this bill will make it clear that a non-incorporated body is carrying on the enterprise and not the individual members.

A number of other amendments are included in this bill that will clarify the indirect tax laws where uncertainties have been identified or where technical correction are required.

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

I commend the bill.

Debate (on motion by **Senator O'Brien**) adjourned.

Ordered that further consideration of the second reading of this bill be adjourned till a later hour this day.

AUSTRALIA NEW ZEALAND FOOD AUTHORITY AMENDMENT BILL 1999 [No. 2]

First Reading

Bill received from the House of Representatives.

Motion (by **Senator Ian Campbell**) agreed to:

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

Bill read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (12.34 p.m.)—I table a revised explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The Australia New Zealand Food Authority Amendment Bill 1999 was introduced into the Senate on 31 March 1999. On 20 April 1999, the Senate, on the recommendation of the Selection of Bills Committee (Report No.6 of 1999), referred the provisions of that bill to the Senate Community Affairs Legislation Committee. That Committee handed down its report on 12 August 1999. The majority report recommended the bill proceed.

This bill, in identical terms to the Australia New Zealand Food Authority Amendment Bill 1999, was then introduced into the House of Representatives on 14 October 1999. It was designated the Australia New Zealand Food Authority Amendment Bill [No.2] 1999.

At the Senate Committee hearing of the Australia New Zealand Food Authority Amendment Bill 1999 some community groups put the view that the proposal within the act that the Authority develop a work plan and be able to charge for the assessment of certain applications for variation of the Food Standards Code be subject to greater transparency within the bill. Amendments to this effect were moved by the Opposition in the House of Representatives. As these amendments broadly complement the Government's policy intent, the Government was pleased to support them. The amended bill is now before the Senate.

The amendments made by the House of Representatives clarify:

- the object of the act;
- the objectives of the Authority in developing food standards and codes of practice and the matters to which the Authority must have regard when developing these food regulatory measures;
- the method of notification to be used by the Authority in relation to the development of food regulatory measures;
- the type of work plan to be developed by the Authority; and
- the types of applications to develop or vary food standards for which the Authority may charge for assessment.

This bill will implement recommendations arising from several reviews which are part of a package of reforms which serve to strengthen and improve the effectiveness and efficiency of the food regulatory system for Australia and New Zealand. These reviews are the National Competition Policy Review of the Australia New Zealand Food Authority Act 1991 (the Act), the Review of the State

and Territory Food Acts and the Food Regulation Review.

The bill amends the act in four major ways:

- it creates objectives for the act and clarifies the role, functions and regulatory objectives of the Australia New Zealand Food Authority (the Authority);
- it provides the Authority with more flexibility and efficiency in its consultation and decision making processes;
- it enables the Authority to more effectively protect public health and safety and the prevention of misleading and deceptive behaviour; and
- it allows the Authority to charge for services in certain circumstances.

I will deal with each of these aspects of the bill separately.

Firstly, the bill includes an overall objective for the act in order to provide public transparency and accountability and a concise statement of the role of the Authority. Both the new overall objective and the recast section 10 objectives ensure that public health and safety and the protection of consumers remain the highest priorities of the Authority.

It will now be explicit that the Authority must consider the costs and benefits of the various regulatory alternatives that are available. Food standards should not impose undue costs on the food industry or the community.

The bill will also provide for greater consistency and co-operation at the Commonwealth level and between the Commonwealth and States and Territories in relation to food regulatory issues.

The Authority's need to undertake activities that support and improve the quality of food standards is also recognised in the bill. These activities include being an advocate for Australians in the international arena, facilitating industry guidelines and coordinating national work on auditing systems and training competencies.

I now turn to the second major aspect of the bill. It allows the Authority to be more responsive to community concerns about particular standards issues and develop tailored consultation arrangements for individual issues.

Over the years, the Authority has been locked into rigid and sometimes inefficient consultation processes. Regardless of the good intention behind some of these prescriptive requirements in the current act, it is clear that taxpayers' money has at times been wasted through lengthy periods of consultation on very minor issues. These amendments will allow the Authority to tailor consultation processes, allocate more resources where there are significant concerns and streamline processes for

minor issues whilst still ensuring that stakeholders have maximum opportunity to provide input on issues that affect them.

In having more flexibility to respond to consultation needs, the Authority will be more accountable to its stakeholders. It will need to prepare, in advance, plans that clearly set out the proposed consultation processes for each standard it develops or amends. It will need to discuss these with key stakeholder groups and ensure that no affected parties are overlooked.

Also included in the bill are amendments that will enable the Authority to deal more efficiently with less significant standards issues. Where the draft standards raise issues of minor significance or complexity, and the Australia New Zealand Food Standards Council has approved a general approach to be applied in such cases, and no substantive objections have been raised in submissions, the Authority will not be required to put a recommendation to Ministers in relation to the approval of particular food standards. The Council will have the power to overrule these decisions, which would then be dealt with by the Council in the usual manner; otherwise, the decisions will stand as if they were decisions of the Council.

The act currently requires literally every detail of all proposed changes and additions to the Food Standards Code to be considered by all ten Ministers, even where they have already set down clearly the approach they wish to apply. This delays the process of making necessary but minor changes and wastes the time of Ministers when other more important food policy issues are waiting for their consideration. This amendment redresses that problem and should benefit both industry and consumers by significantly decreasing the time taken to make minor changes or additions to the Food Standards Code.

The third major amendment is to permit the Authority to more effectively protect public health and safety and prevent misleading and deceptive behaviour by allowing effective implementation and enforceability of the new food safety standards and permitting the restriction of sale and advertising of foods where necessary to protect public health. The bill also enables the Authority to approve specific brand or patented products or certain classes of food so as to ensure the safety and/or appropriate labelling of such products before their release onto the market.

I now turn to the final aspect of the bill. At present, the Authority is obliged, by its legislation, to process all applications on a 'first come—first served' basis, regardless of the degree of public health and safety and consumer protection involved. This can draw resources away from standards work that protects public health and safety and into

minor matters of little significance to the community.

The Authority will now be able to ensure that its government appropriated resources are primarily directed towards the protection of public health and safety. These amendments (similar amendments to which were previously contained in the Australia New Zealand Food Authority Amendment Bill 1996, which lapsed during 1998) will enable the Authority to charge for the assessment of certain applications.

The Authority will be able to charge for the assessment of applications for the development or variation of standards that, if adopted, will confer an exclusive, capturable commercial benefit on the applicant, and for the early consideration of other applications. These charges will be based on the amount of work involved in assessing such applications and will not be dependent upon their approval. The assessment of these types of applications will not delay the assessment of other applications.

The proposed cost recovery arrangements are fully consistent with this Government's user pays policy. The Authority will only be able to recover its costs and will not be able to make a profit. The Authority will consult with stakeholders when developing both its standards work plan and its cost recovery regulations.

Since the creation of the Authority in 1991 considerable progress has been made to develop uniform food standards throughout Australia and improve the safety of the Australian food supply. This package of amendments will allow the Authority to continue its reform of the food regulatory framework and develop a quality Food Standards Code which will serve Australia and New Zealand well into the next millennium.

I present the bill to the Senate.

Debate (on motion by **Senator O'Brien**) adjourned.

BILLS RETURNED FROM THE HOUSE OF REPRESENTATIVES

A message received from the House of Representatives agreeing to the amendment made by the Senate to the following bill:

Border Protection Legislation Amendment Bill 1999

BUSINESS

Consideration of Legislation

Motion (by **Senator Ian Campbell**)—as amended, by leave—agreed to:

That the government business orders of the day relating to the following bills may be taken together for their remaining stages:

A New Tax System (Pay As You Go) Bill 1999

A New Tax System (Tax Administration) Bill 1999

A New Tax System (Indirect Tax and Consequential Amendments) Bill 1999.

A New Tax System (Indirect Tax and Consequential Amendments) Bill (No. 2) 1999

DIESEL AND ALTERNATIVE FUELS GRANTS SCHEME (ADMINISTRATION AND COMPLIANCE) BILL 1999

TAXATION LAWS AMENDMENT BILL (No. 9) 1999

In Committee

DIESEL AND ALTERNATIVE FUELS GRANTS SCHEME (ADMINISTRATION AND COMPLIANCE) BILL 1999

Consideration resumed from 30 November.

Senator CONROY (Victoria) (12.36 p.m.)—I would like to welcome Senator Kemp to the chamber to continue the discussions.

Senator Kemp—Thank you.

Senator CONROY—We missed you last week.

Senator Kemp—No, you didn't. Senator Campbell did a brilliant job.

Senator CONROY—I missed you.

The CHAIRMAN—Order! Can we get down to the discussion at hand please, not whether senators were here or not. Senator Conroy, you have the call.

Senator CONROY—We were just wondering, Senator Kemp—

The CHAIRMAN—Address the chair please.

Senator CONROY—Through you, Madam Chair—

The CHAIRMAN—'To' me, thank you, not 'through' you.

Senator CONROY—To you, Madam Chair, we are wondering whether the government has got anywhere in its discussions on

where the conurbations were. We are hoping that we can speed the passage of this bill by getting some indication from the government as to where we are at. I will see what response I get before we decide how much further we go.

Senator KEMP (Victoria—Assistant Treasurer) (12.37 p.m.)—I thank Senator Conroy for that very fulsome welcome back into the chamber. I am advised that this bill was brought on rather quickly last Tuesday. When the bill was brought on I happened to be in the air, so it was somewhat difficult for me to return. But I am mightily consoled that my colleague Senator Ian Campbell apparently did an outstanding job.

Senator Conroy interjecting—

The CHAIRMAN—Order!

Senator KEMP—Thank you, Madam Chair. I wish he would stop interrupting. He did so well that we are planning to bring him back for the last quarter, at 1.30 today. So I raise that as an incentive for Senator Conroy to try to resolve this bill as quickly as possible.

We are well aware of the boundary issues Senator Conroy has raised. This is a matter that the government are working on. We hope to resolve these matters in a reasonably short period. We are, as you know, a government that likes to get things right. So we are working at that, but we are anxious that they be exposed as soon as practical.

Senator CONROY (Victoria) (12.38 p.m.)—I will take that as a complete non-answer. I guess I would at this stage have to leap to my feet in defence of the Democrats who, having already been duded by you on the question of forestry, I know are very concerned about being duded by you on the boundaries of these conurbations.

Senator Kemp—We didn't think you were a spokesman for the Democrats.

Senator CONROY—I know that the Democrats are down there sweating on how badly you are going to dud them this time, and well they might. I was talking with Mr Apps from the Australian Trucking Association recently in the Senate committee on this. I am reading from the committee *Hansard*.

He was of the belief that a conurbation, or what was an urban area from his perspective, was an area defined as 'densely populated, which does not go, looking at the map, beyond what generally might be identified as the local government areas that surround the boundary of an urban centre'. Would Senator Kemp like to venture an opinion on that? We will keep coming back to this if we do not get any answers. So I am hoping Senator Kemp can enlighten the chamber.

Senator KEMP (Victoria—Assistant Treasurer) (12.40 p.m.)—We are in the process of cutting excise. I am not being provocative, but there is a difference between our two parties. We believe in, where practical, cutting the price of diesel fuel; you think the price should remain at its current level. The trucking industry particularly welcomes this policy. There is an issue of where the boundary lines are drawn. We listen very carefully to what people say. As I have indicated to you, this is a consultative government, a government which talks to people and takes on board their views. The issue of the boundary lines is one that the government is very anxious to resolve as quickly as practicable. We always take into account any views which are put to us.

Senator CONROY (Victoria) (12.41 p.m.)—That is very disappointing of the government. It has been five months—in fact, it has probably been a little longer now, and the sweat on the brow of the Democrats continues to grow—since the government gave its preliminary indication. Could the government confirm at this stage, according to the announcements it has made, that Coolangatta is inside a conurbation and Tweed Heads is outside a conurbation?

Senator KEMP (Victoria—Assistant Treasurer) (12.42 p.m.)—I do not want to get into any particular argument as to who is in and who is out. The government, when it has to fix a boundary line, will be doing so as quickly as practicable. Senator, I urge you to wait. But I underline the very important point which makes this government different from the Labor Party policy: we want to cut the price of diesel.

Senator Conroy—We voted for it, I think.

Senator KEMP—Senator, it seemed to me that you were opposed to our tax package, certainly during the election. You have made an important comment there. Therefore, I hope it is recorded in the *Hansard* that the Labor Party now accepts the government's policy on cutting excise. That is a big change, Senator. We welcome that and it is duly noted. But at the end of the day the Labor Party will have a view on the appropriate boundaries, as we will.

Senator CONROY (Victoria) (12.43 p.m.)—It is going to be a long, slow morning and a long, slow afternoon. Time is not flying. My understanding from the government's press releases and documentation is that they have indicated that Coolangatta is inside the proposed conurbation and Tweed Heads is outside. Is there a reason why what is in effect a twin city was inside and outside? I might check with other senators in the chamber.

The TEMPORARY CHAIRMAN (Senator Watson)—Through the chair, thank you.

Senator CONROY—Of course, to the chair, and through the chair. The chair might be able to help me. I am trying to work out whether Tweed Heads was a Liberal marginal seat or a National marginal seat. Is Larry Anthony the member who would cover the area of Tweed Heads?

The TEMPORARY CHAIRMAN—Are you asking the minister?

Senator CONROY—I am asking anyone who wants to answer. A situation like the one of the twin cities of Coolangatta and Tweed Heads seems quite surprising. One is on one side of the road and the other is on the other side of the road. Apparently if you live in a Liberal marginal seat you are outside a conurbation whereas if you live in Geelong you are inside a conurbation. If you are in Ballarat, you are outside a conurbation. It may just be a coincidence, but Geelong is a Labor held seat while Ballarat, surprisingly enough, is a Liberal marginal seat. I am wondering whether the conurbations are going to follow the colour of the electoral map around the country.

Senator Quirke—The Alice to Darwin railway line.

Senator CONROY—It could be as ludicrous a proposal as the railway line. I was wondering whether at any stage the minister will enlighten the chamber about whether the policy on the boundaries or conurbations has anything to do with the boundaries of the government's marginal seats.

Senator KEMP (Victoria—Assistant Treasurer) (12.45 p.m.)—These boundary lines are being looked at closely. I will not rise to the bait of Senator Conroy.

Senator Conroy—Just a coincidence, is it?

Senator KEMP—I will not rise to the bait. We are working on these boundary lines. When they are determined, you can stand up and make all the political points you wish to make. As I have often said to you—I do not know why I should have to say it again and again—if you want to have a political debate, the truth of the matter is that you generally lose them, in my judgment. You are a senator who carries a lot of baggage, not the least being that you are a member of the Labor Party, which opposes tax reform. I have to tell you that, as tax reform comes in, people will note the behaviour of the Labor Party, which has again gone missing in action on the big issues facing the nation.

We are very proud of this tax package. We got this tax package through. You are quite right; you do not speak for the Democrats. I imagine that you would be the last person the Democrats would want to have as a spokesperson for them. As I have said so often, we are a consultative government and will talk to anybody, including you, Senator Conroy. Unlike the Labor Party, our negotiations with the Democrats are generally constructive.

Senator HARRIS (Queensland) (12.47 p.m.)—I am seeking some clarification from the minister in relation to the exemption of vehicles within metropolitan areas. Can the minister just clarify for me whether a vehicle transporting either passengers or goods which falls between 4.5 and 20 tonnes and operates within the central areas will not be eligible for the 25c rebate. That is for those working within the defined area.

Senator KEMP (Victoria—Assistant Treasurer)(12.48 p.m.)—If the journey is internal to the urban area, the answer is that it will not be. If it is coming from a country area to the city area, it will be.

Senator HARRIS (Queensland) (12.48 p.m.)—Based on the minister's answer and particularly in relation to transport, what provisions does the bill make for city councils operating passenger carrying buses that fall within 4.5 to 20 tonnes which are operating within those areas exclusively?

Senator KEMP (Victoria—Assistant Treasurer) (12.49 p.m.)—The first answer I gave you answers that. If they are operating exclusively within a city area, the answer is that they are not eligible.

Senator HARRIS (Queensland) (12.49 p.m.)—Is it correct that a same tonnage vehicle—between 4.5 and 20 tonnes—which starts its journey outside the exclusion area and comes into the metropolitan area will be exempt for the entire journey but that an identical vehicle operating from within the metropolitan area to a rural area will not be eligible for the portion of that journey until they reach the 100-kilometre exclusion area?

Senator KEMP (Victoria—Assistant Treasurer) (12.50 p.m.)—It does not matter which way they are going. There is a point inside and a point outside the area where they are eligible.

Senator HARRIS (Queensland) (12.50 p.m.)—My understanding is that if a vehicle is registered outside the exclusion area and travels into that exclusion area, on the journey logged on the way in they can claim exemption all of the way in but they cannot—and neither can a vehicle based within the metropolitan area—claim exemption until they are outside. I am seeking clarification that there is not a difference between somebody operating from Townsville into Brisbane and a freight company operating out of Brisbane to Townsville, for example.

Senator KEMP (Victoria—Assistant Treasurer) (12.51 p.m.)—I think I answered that question the first time. We are just rehashing the question. If the journey starts outside the exclusion zone and comes into the

exclusion zone, as you call it, it is eligible. If it starts inside the exclusion zone and finishes outside the exclusion zone, it is also eligible. That is the second time I have answered the question. I am happy to keep on going. Is that sufficiently clear for you?

Senator Harris—Yes.

Senator KEMP—That is the advice I have received. I am sure that whoever posed this question can read the *Hansard* with interest.

Senator HARRIS (Queensland) (12.52 p.m.)—The question came directly from me. It was not posed by an individual. I thank the minister for his answer. Could the minister—and I realise this may not be within his parliamentary role—convey to the Senate how, in relation to vehicles travelled, the government perceives that the logging and records for this proposed exclusion zone process is, first of all, going to be set up. Secondly, how is it going to be administered by the companies involved? The third issue is: how is the government going to in any way, shape or form enforce compliance?

Senator KEMP (Victoria—Assistant Treasurer) (12.53 p.m.)—As far as the compliance arrangements are concerned, the tax office is working on this matter, and we will ensure that the compliance arrangements are as simple as possible. Senator, you do understand that we are actually cutting the price of excise and that we are actually giving a benefit to the trucking industry and this is a very big benefit? This is a very big plus. This is what the trucking industry wanted. Senator, you are aware what the original proposal was. You are aware what happened with the final proposal.

The government is very conscious that we are delivering a major benefit to the industry and we are anxious, as this government always is, to make sure that the compliance aspects are as simplified as possible. I am advised that the government is not going to impose logbooks or particular record keeping systems where existing records can substantiate a claim. I understand the record keeping requirements for most claimants will be no more than fuel receipts and eligible kilometres travelled. We acknowledge that small truck operators working across metropolitan and

country areas will have to maintain more detailed records to access the grant. But we have to recognise that the grant will more than compensate operators for the effort required. This is a very substantial benefit. This is a big benefit to the industry.

Senator Conroy says the Labor Party has reversed its position. Well, that is all right. We always welcome it when the Labor Party back flips, as they do so regularly on difficult policy issues. But the truth of the matter is that this is a very big benefit. This was an initiative the government went to the election on. The Labor Party did not have this as part of its policy. The Labor Party decided in its policy that it would ignore rural and regional Australia. I am interested to hear that Senator Conroy and the Labor Party have now come on board. I do not know if Simon Crean has made an announcement to that effect. Maybe he has.

Senator Conroy—We voted for it in the Reps, you idiot.

Senator KEMP—I am not being churlish, Senator. We are always pleased when you adopt our policies. We are very happy with the business tax reform. We are very happy when the Labor Party finally comes on board. After all the huffing and puffing that it went through with the election, we are delighted that it came on board. Senator Harris, I hope that makes that clearer for you. We are not in the business of trying to add major compliance problems. Obviously, the way the grant is structured in this fashion, some records will need to be kept. But I hope the comments I have made will provide the sort of assurances you are looking for.

Senator HARRIS (Queensland) (12.56 p.m.)—The purpose of the question was not to determine whether the government was or was not providing the industry with a benefit. The purpose of the question was to clarify those three issues: how did the government envisage, firstly, recording it, secondly, administering it and, thirdly, enforcing compliance with it? The minister's answer has not greatly contributed to those, so I can only assume from his reply that the government at this point in time does not have the policies formulated.

Senator KEMP (Victoria—Assistant Treasurer) (12.57 p.m.)—Senator, I do not think you are listening to my answers. I am a bit loath to repeat myself because Senator Conroy will say I am wasting time. I do not propose to read the answer I gave you out again, because I want to save time, but I think if you read the *Hansard* you will see that your comments then were quite unfair.

Senator Quirke—Hurtful, in fact.

Senator KEMP—Thank you, Senator. I think I will survive. But I would urge Senator Harris to carefully read it. I think you will find that I did address those issues. As I said, I do not wish to repeat myself, because Senator Murphy, Australia's champion fly-fisher—

Senator Conroy—World champion. He is up there with Philippoussis.

Senator KEMP—I would like to get that for the record. Did you say he was the world champion?

Senator Conroy—He is the world champion.

Senator KEMP—We did not even know that. I shall inform the PM, Senator, of your great success. May just briefly record this, with the indulgence of the committee, because I think Shayne Murphy is far too modest to record his achievements. It was a secret to me, I have to tell you. I saw him on the TV, actually. I am not sure what program it was. I saw Senator Murphy, and I said to myself, 'I know that bloke.' He was providing us with a lecture on fly-fishing. It is very nice to know you have got some skills, Senator.

Senator MURPHY (Tasmania) (12.59 p.m.)—To put the record straight for Senator Kemp, who I know would probably like to know a little more about fly-fishing—and it might improve your skills if you took it up—Australia did win the world fly-fishing championship for the first time, in a team of which I am a member. I will say, with the indulgence of the committee, that I would like to congratulate the other members of the team, one of whom became world champion. I actually came fourth.

Through you, Mr Chairman, I ask the minister a question with regard to the

government's negotiations with the state governments as to the checking of registration of vehicles, and in particular trucks. We were informed by the tax office that they were negotiating with the state governments for the purpose of establishing how many vehicles might be eligible for the scheme by having a cross-checking mechanism. I would like to know whether you can tell us whether that has progressed to any reasonable degree.

The TEMPORARY CHAIRMAN (Senator Watson)—Before I call Senator Kemp, perhaps we should congratulate you and the Australian team on winning the world championship.

Senator KEMP (Victoria—Assistant Treasurer) (1.01 p.m.)—We have been having discussions with the state governments. They have not been finalised yet, but, as I said, I am sure that, because this is a very big benefit that is being given to truck operators, the state governments would wish to cooperate.

Senator MURPHY (Tasmania) (1.01 p.m.)—I appreciate the fact that it is a big benefit, but I would have thought that the government wants to ensure that it is not rorted significantly. That is one of the major concerns that I would have. Look at the practical exercise in ascertaining how many trucks there are, whether they are operating, in which state they are operating—and not only trucks; it could be plant such as bulldozers, graders, any type of roadwork plant or earthmoving plant which could be sitting idle and have claims for this scheme lodged. I want to know what practical exercises the government is going to put in place other than what was put to the committee by the tax office—that they are going to develop a risk assessment process as this thing unfolds. It could be well and truly unfolded in a very—to use your words—generous way, much to the cost of the ordinary PAYE taxpayers of this country. I would like to see a little more meat on the checks and balances process than you—and likewise the tax office—have been prepared to put on at this point in time.

Senator KEMP (Victoria—Assistant Treasurer) (1.03 p.m.)—Let me give you an absolute assurance that this government

always acts, and always acts very promptly, to stop rorting of the tax system. I think this government has a pretty powerful record in moving in this area, not least with the integrity measures that are part of the business tax system, which have been announced. Again, I think they are supported by the Labor Party. Also, apparently the Labor Party supports this grants scheme, as I understand it.

Senator Conroy—It does.

Senator KEMP—It now does support this scheme.

Senator Conroy—And we would like someone to explain it to us.

Senator KEMP—This is a unique comment. The Labor Party support the grants scheme and now say, 'Could someone explain it to us.' What normally happens in this big wide world that we live in is that you would explain—

Senator Conroy—We weren't at the dinner table having a cup of tea.

Senator KEMP—You are always welcome at the table, but you would not come through the door. The door was always open to you, but you would never come through the door.

Senator Conroy—Update your rhetoric. You did well, remember. You have to update your rhetoric.

Senator KEMP—Senator Conroy, it is only the start of the week and you are already showing signs of strain. I think it will be a great relief when we all rise for Christmas. I am not quite sure whether Senator Conroy can stay the distance, to be quite frank.

The TEMPORARY CHAIRMAN (Senator Watson)—Can we all address the matters before the chair, please.

Senator KEMP—Through you, Mr Chair, the Department of Transport and Regional Services—I am looking at my advisers, and they can give me the appropriate nod or not—already has some indicative figures on the numbers of vehicles. Clearly, checking on the registration would provide additional information for us, and that is the substance of the negotiations that we are having with the states. Quite a few of the states these days are in fact controlled by the Labor Party.

Senator Conroy—Victoria being one of them.

Senator KEMP—Senator Conroy has got one thing right today; he has noted that Premier Bracks—

Senator Conroy—You stop smiling about that.

Senator KEMP—We will be pursuing this, as I said, with the states, seeking the cooperation of the states. You are particularly worried about whether the states would cooperate. I am not sure whether that is your worry. If you are worried, I suggest that you add to the discussions that we are having. Frankly, a letter from one of the world champion fly-fishers would carry a lot of weight with the state governments. Now that you are a public figure, Senator Murphy, there may be additional responsibilities on you in the public policy area.

Senator MURPHY (Tasmania) (1.06 p.m.)—No, for the minister's information, I am not worried about the states; what I am worried about is the revenue—the cost of running this scheme. We know from the historical point of view with regard to the Diesel Fuel Rebate Scheme that there were problems with it, and there are probably still problems with it, I would suggest. This is a new scheme. You are starting from a whole new base. At least the tax office have acknowledged that they need information to have some checks and balances in this process. It is that that I am asking you about. Suppose you have, say, a contractor working in forestry who has heavy plant and equipment that is used directly in the harvesting of trees, and the person also has a transport operation not just involved in the transport of wood. To my way of thinking, they could—I am not suggesting they would—actually make a claim for diesel that is not being used in part of their transport operation. They could be using diesel, as I put to the tax office, because nearly all of them have diesel four-wheel drives, as do many of the workers. A whole new diesel usage could occur, for which claims for the scheme will be lodged and paid.

At this time I cannot see, and I have not been informed of, any process of checking

proposed to be in place to actually determine that. That is what I am asking you about: I am asking you to inform the Senate of the negotiations between the states on the registration of vehicles and how you then further check registration of vehicles that are put off the road—that is, a bus or a truck that breaks down and is put around the back—but claims continue to be made for them. I suggest that you do not have any mechanism at this time, and the Senate ought to be informed about what you propose to do.

Senator KEMP (Victoria—Assistant Treasurer) (1.08 p.m.)—We would obviously have access to a range of records—

Senator Murphy—What are they?

Senator Conroy—Do you have any idea what is in this bill?

Senator KEMP—My understanding is that you are supporting the bill. Is that right?

Senator Conroy—I asked whether you had any idea what is in this bill.

Senator KEMP—As I have indicated to you, the record keeping requirements for most claimants will be things like fuel receipts and the eligible kilometres travelled. If there is some doubt about the claim, the Australian Taxation Office always has powers to seek further records. I can assure you that this happens across a range of schemes. Ensuring compliance with the law as it stands is not a new experience for the tax office. We understand people are pretty creative, but this government has had a very strong record of dealing with tax avoidance and tax rorting.

Senator Conroy—Absolute rubbish!

Senator KEMP—Senator Conroy was the man who voted against our proposal to close down R&D syndicates—

Senator Conroy—I wouldn't go there.

Senator KEMP—I wouldn't go there if I were you, Senator Conroy, because—

The TEMPORARY CHAIRMAN (Senator Watson)—Order! I ask the minister not to respond to interjections.

Senator KEMP—The registration records of the vehicle, the records of the operation of the vehicle and odometer readings are just some of the records we can get. We can also

require the verification of journeys undertaken for business purposes.

Senator CONROY (Victoria) (1.11 p.m.)—Minister, under questioning, the Australian Taxation Office indicated that your office was specifically in charge of drawing up the boundaries of the conurbations. Is that in dispute? They said you were making the decision.

Senator Kemp—Just ask the question.

Senator Murphy—‘It’s up to Rod,’ they said.

Senator CONROY—That’s exactly right, Senator Kemp—I mean Senator Murphy, world champion Senator Murphy.

Senator Kemp—Don’t make that mistake.

Senator CONROY—No, that is very insulting. I apologise. I withdraw unreservedly, Senator Murphy.

The TEMPORARY CHAIRMAN—Order! Senator Conroy, please do not respond to interjections.

Senator CONROY—Currently, on the existing proposals that have been floated publicly, Ballarat is outside and Geelong is inside. Can Senator Kemp give us some indication on that, because there are some consequences if that is the case. I am glad Senator Kemp mentioned he was consulting with the trucking industry, because we had trucking industry representatives before the committee, as well, and I asked them whether they thought truck routes would be altered to take into account where the boundaries were—where those lines that you are going to draw on your electoral map are. Mr Gunning from the trucking association said:

... when you think about the way people structure businesses and so on, one would have to say the answer has to be yes over time.

The sorts of questions that Senator Harris, Senator Hutchins and Senator Murphy have been asking of Senator Campbell and Senator Kemp go to the heart of behavioural change and how it is going to be possible for a competitive advantage to be bestowed on a company based in Ballarat compared with a company based in Geelong. Mr Gunning went on to agree that there was the possibility of people changing their journeys.

I know what constitutes a journey is also part of your discussion, and I will come to that, but I am interested in your justification for Ballarat being in and Geelong being out, other than the fact that one is a marginal Liberal seat and one is a safe Labor seat. Both are served by two-lane highways, both are roughly the same distance from Melbourne and both contain a number of transport companies. Your current package provides a competitive advantage to the company in Ballarat, because if you have a choice between hiring a company that is charging a cheaper price because it is driving across the conurbation compared to one which is not driving across the conurbation—

Senator Kemp interjecting—

Senator CONROY—You will be able to clarify this when you tell us where the boundary is. It does not matter where it is sited—I already know that—what matters is the journey undertaken and where it is from and to. That is the key to the dirty deal you did with the Democrats. If you happen to hire a company in Ballarat, now, and it then drives into the city to do a drop off, that company is going to be able to charge a cheaper price than the company in Geelong. Both are the same distance from the CBD and both are on two-lane highways—different highways, obviously, as you would well know, Senator Kemp, because you are a frequent traveller to Geelong and Ballarat, like I am. I am interested in your answer on that.

I am interested in whether or not you agree with Mr Gunning and the industry that the value of a smaller second-hand truck has diminished. Let us say I had bought a four-tonne truck. The industry says that, if I am competing against a 4.5-tonne truck on the same routes, not only do I have a cost disadvantage but also my resale value has gone down substantially because I am not eligible for your grant, which goes to trucks above 4.5 tonnes. So, if I bought a four-tonne truck, has my resale value gone down? The industry says yes. Do you agree with the industry? You may shake your head, Minister, but these are legitimate questions for small businessmen in our state who are based in and around Melbourne. Before you did your dirty deal

with the Democrats behind closed doors on your original tax package, someone might have gone out and bought a four-tonne truck, and all of a sudden they find that the resale value has gone down. It is not a trivial issue to a small businessman, an owner-driver operator of a four-tonne truck.

Do you also agree with the industry when they said at the hearings—I will quote from page 11 of the transcript:

The bus industry finds it incongruous that the direction of these changes is actually pushing people out of buses and into cars; yet we know that buses are, at worst, eight times more effective in terms of improving the environment than cars are.

You are a former shadow minister for the environment. You know how important these issues are. The Democrats know how important these issues are. What we want to know is why both of you are pursuing a policy that is bad for the environment. Mr Gunning goes on to say:

The particular business about the diesel alternative fuel grant, in broad order, would push up bus fares by about three per cent, and that is in an environment where, for a private motorist, car costs are coming down by about three per cent and, for a business user of cars, cost reductions are in the order of 13 or 12 per cent. We know there is substitutability between buses and cars . . . so we are heading in the direction of pushing people out of the great bulk of the bus fleet into cars. We know that on average, across the board, depending on the scenario you draw, buses are about eight times environmentally better than cars.

Mr Gunning goes on to say:

For the great bulk of the private bus industry, we would expect costs and fares to rise in the order of nine per cent.

So you have here a policy that pushes up bus fares, drives people—no pun intended—off buses into cars and is worse for the environment. So you have got two strikes: you have got a policy that is going to push people off buses and then put up the competitive advantage of cars and be worse for the environment. This is an extraordinary position to be advocating for someone who has held the position you have, Senator Kemp.

Senator Kemp—Held it so well.

Senator CONROY—You certainly suckered in the ACF. I will give you absolute

credit for having suckered the environment movement in 1996; there is no question about that. That was a tribute to your political skills, and I am the first to concede that suckering the green movement like that was an achievement. But the good news is that you have done it again. You have actually pulled off another great scam here. You have suckered the Democrats into believing you are helping the environment with this policy, and it is actually not.

I move on to another point. Minister, can you confirm the evidence given by Mr Mike Jackson, Deputy Commissioner Excise for the Australian Taxation Office, that dipsticks would actually be part of the armoury of the tax office in policing these measures? I refer you to page E18, where Mr Johnson was asked by Senator Murphy what mechanisms were available for monitoring these things, how it was going to work. He replied that there were a range of mechanisms available to the tax office, such as usage patterns et cetera. I said, 'The dipstick?' He went on to say:

I am not sure we would use a dipstick, other than to measure the amount of fuel that is in a tank—

I not sure what else you would use a dipstick for other than to measure the amount of fuel, but maybe Mr Johnson has got a few ideas we do not have. Is it a fact that the tax office are issuing dipsticks to tax officials to help police this particular piece of legislation on your behalf?

Senator Kemp—This is a general rant.

Senator CONROY—I am saving you time. We do not want to wear the carpet out over there. I am saving the Commonwealth money from your wearing the carpet out. You will have to go over it only once.

Senator Sherry—Mr Temporary Chairman, I raise a point of order. Is it proper for Senator Conroy to refer to the minister as a dipstick? Is it parliamentary?

The TEMPORARY CHAIRMAN (Senator Watson)—There is no point of order.

Senator CONROY—I will defend Senator Sherry. I think he misheard me. I did not actually describe Senator Kemp as a dipstick but, as they say, if the shoe fits. As I said, I

am just going through a string of issues to save you time, Minister, because I know how concerned you are about time and wanting to get home for Christmas. If you can get us some answers on some of these issues we have raised, you will save us all time and hopefully we will all get home before 24 December.

You keep indicating that there will be a decision made soon on the conurbations. Well, the education campaign which the tax office took us through, as to where the conurbations are, actually does need to know itself where the conurbations are. We are just wondering when you are going to make a decision because the education campaign, which is very important before the introduction of this bill and the actual commencement of the act, requires the details before it can actually commence educating. So we would not want to see you, in the usual ham-fisted manner in which this government operates, not give the industry and the tax office enough time to actually run the education campaign.

I would also like to come to the costings. The tax office were not sure who did the costings and they referred us to you. There are some substantially detailed costings that were put into your press statements and we are just wondering where the analyses were done, given that you did not have conurbation boundaries at that point. Were they something knocked up by your staff in your office? Did Treasury provide them or were they your own work? We were just wondering how you did those calculations and where they came from. The tax office said they did not do the calculations and they had no idea where they were done. But they were fairly detailed and again, Senator Greig, you are not responsible, so I do not at any stage hold you liable for this.

Senator Sherry—Yes, we do—he's a Democrat.

Senator CONROY—He is a Democrat and I know he was involved in the phone hook-ups, so he cannot escape completely, but I am sure he would have done a much better job in nailing down what a conurbation was and where it was. So we would appreciate it, Senator Kemp, if we could get some indica-

tion of who did those costings. Finally, I would like to take you to a couple of press statements. One of them is a press release of 31 May in which the Prime Minister said:

The extension to the off-road concession for diesel and like fuels will be limited to providing full credits for marine use, bush nursing homes, hospitals, nursing homes, aged person homes and private residences but not for construction, power generation, manufacturing or forestry. The proposed full credit for mining currently accessing the DFRS will be maintained.

Hopefully, Senator Kemp, you are familiar with the Prime Minister's press release. We then had the government introduce the bill in the other place and Minister Anderson commenced his second reading speech by stating that the bill implements changes to the diesel fuel rebate agreed with the Australian Democrats as part of the package of environmental measures that will now accompany 'the introduction of A New Tax System on 1 July 2000'.

I am assuming that the minister has seen that reference, and hopefully he was sitting around the cabinet table at some stage as part of that discussion. But then Minister Tuckey put out a press release that claimed that this legislation was a mistake and that the government had 'never intended to reduce the rate of rebate to forestry'. Who is right and who is wrong? Were Minister Anderson, now the Deputy Prime Minister, and the Prime Minister right when they said they intended it to apply to forestry or, as was said by Minister Tuckey—

Senator Kemp—You've got the wrong bill. That's TLAB 9.

Senator CONROY—I am aware of which bill it is, Minister, but you can perhaps help us.

Senator Kemp—We are not debating that one.

Senator CONROY—We will get to that one. I am just not going to be here when you do, so I am just slipping that one in. You are good-natured about this and you are always happy to provide information but, unfortunately, I am not going to be here when TLAB 9 comes on.

Senator Kemp—Oh!

Senator CONROY—I am just trying to help you out here, Minister. Who is telling the truth: the Prime Minister, who said forestry was in; or Minister Tuckey, who said the government had never intended to reduce the rebate? You would have to be a dope to sign up to a deal like this where the Prime Minister gives you a commitment one day and the minister responsible repudiates him the next day. Who is telling the truth? Did you never intend to keep this commitment? (*Time expired*)

Senator HARRIS (Queensland) (1.26 p.m.)—I am seeking clarification from the minister. Is the levy that is in place primarily for the construction of public roads?

Senator KEMP (Victoria—Assistant Treasurer) (1.26 p.m.)—I might respond to a number of matters that Senator Conroy raised because Senator Conroy is about to leave the chamber, and I think I am about to, too.

Senator Conroy—No, I am eagerly awaiting your replies.

Senator KEMP—Senator Conroy, as is his want, roamed far and wide, and if we did not think so highly of Senator Conroy we would have assumed that he was just wasting time.

Senator Conroy—I am hurt by that suggestion.

Senator KEMP—I am sure that would not be the case, but I think an objective listener may well have come to that conclusion.

Senator Conroy—There were at least 10 questions for you to answer.

Senator KEMP—There were a number of questions. Let me deal with the first ones. This is the general political attack that Senator Conroy likes to make whenever he stands up. Let us completely ignore the political attack. The fact of the matter is, Senator Conroy, that you are paranoid because you think the Liberal Party go on what the Labor Party do. We are a different party.

Senator Harris—Mr Temporary Chairman, I rise on a point of order. The question I directed to the minister was in relation to whether the levy that is being collected is in fact being used primarily for the construction of public roads.

The TEMPORARY CHAIRMAN (Senator Watson)—Senator, I think the minister will answer it in due course.

Senator KEMP—Senator Harris, you might recall that before you got up to speak Senator Conroy got up to speak. What I am proposing to do is to go through the questions that Senator Conroy raised with me and then I will come to your questions. That is the way these committees operate, Senator.

The TEMPORARY CHAIRMAN—Senator Harris?

Senator KEMP—Oh, here we go!

Senator Harris—I rise on a point of order, Mr Temporary Chairman. I would just like it to be brought to the minister's notice that I had not risen from my chair; I was called.

The TEMPORARY CHAIRMAN—Well, you were seeking the call previously so I gave you the benefit, Senator Harris.

Senator KEMP—Senator Harris, you did rise from the chair, because I saw you standing, so I think that would be one of the all-time great quibbles in parliamentary history.

I will completely ignore the political comments that Senator Conroy made, because Senator Conroy thinks that the Liberal Party act like the Labor Party and therefore he gets awfully paranoid. We do not. We are a different party and our standards of behaviour are far higher than those of the Labor Party, I am happy to say.

Senator Conroy got onto the issue of trucks going from Melbourne to Geelong and from Ballarat to Melbourne. The truth of the matter is that two trucks making the same journey will be treated the same. You seem to misunderstand the nature of this, Senator Conroy.

Senator Conroy—You don't understand.

Senator KEMP—You don't, Senator Conroy. This was the all time great comment—

Senator Conroy—If their starting points aren't the same—

Senator KEMP—Senator Conroy, trucks doing the same journey will be treated the same. So, Senator Conroy, if you think about what you are—

Senator Conroy—Mr Temporary Chairman, I rise on a point of order, just to clarify this.

The TEMPORARY CHAIRMAN (Senator Watson)—There is no point of order.

Senator Conroy—The minister is struggling.

Senator KEMP—Oh, struggling! Senator Conroy, you asked a dopey question. I fail to see the point you are making. If the journeys are the same, they will be treated in the same manner.

Senator Murphy—Different starting points.

Senator KEMP—They are not the same journeys, then. If their starting points are different, they are not the same journey.

On the issue of the resale value, what is the logic of scrapping the grant to help the resale values? What a genial comment that truly was! The truth of the matter is that this government want to cut taxes and excises. What a dopey comment, Senator Conroy.

In relation to the comment that we are going to take business from buses to cars, this matter was carefully considered by the Economics Legislation Committee, and I thought the committee did a pretty good job. The report of this committee's inquiry into the Diesel and Alternative Fuels Grants Scheme (Administration and Compliance) Bill 1999 states:

The Committee rejects the notion that public transport costs must necessarily increase under the DAFGS Act . . . The opportunity for bus operators to convert to cheaper natural gas and LPG will lower costs.

Senator Conroy interjecting—

Senator KEMP—Senator Conroy, you ask a range of dopey questions, I stand up to answer them and then you subject me to the most outrageous abuse. I am trying to ignore the provocation of Senator Conroy, so I will proceed:

Further, as the states benefit from the GST revenue—and the states set public transports costs—it is incumbent on the states to pass on this benefit to consumers, as it is in their interests to keep such costs down for social and environmental reasons.

The committee went on to say:

The Committee does not agree that there is a proven need to increase transport costs as a result of the passage of this Bill.

That was considered by the committee. I do not know whether you were part of that committee, Senator Conroy. If you were, your views certainly were not taken into account. Another question was: is the tax office issuing dipsticks?

Senator Conroy—The tax office has said it will.

Senator KEMP—The tax office has indicated to me that it is not issuing dipsticks. That puts the dipstick issue to rest, at least for a moment. That was a very good, very powerful question, Senator Conroy! It shows that you are really on top of the issue. On the issue of costing, I am going to provide you with some information on that.

Senator Conroy—When are we going to get it?

Senator KEMP—We will get it to you as quickly as we can, as we always do. We will deal with that.

Having run out of questions on this bill, Senator Conroy then got onto questions on the next bill. As I now have to leave the chamber, I would urge my colleague Senator Campbell to make sure that he deals with questions which relate to this bill. Senator Conroy probably did not understand what was in this bill or went off on a little frolic. Senator Conroy, the forestry issues are in Taxation Laws Amendment Bill (No. 9) 1999, which I understand is coming up a little bit later. So the sooner we get through this bill, the sooner we can get onto TLAB (No. 9). That is when those sorts of questions should be posed. In relation to the building of roads issue raised by Senator Harris, there is no specific amount in the excise rate. I will now pass the chair on this side to Senator Campbell who, after his excellent performance on Tuesday, is very anxious to get back into the fray.

Senator MURPHY (Tasmania) (1.34 p.m.)—The Assistant Treasurer is leaving, but I am pleased that we have the reserve minister, the Parliamentary Secretary to the Minister for Communications, Information

Technology and the Arts, Senator Ian Campbell. Perhaps he will be able to inform us a little better of some of the issues. Senator Campbell, is the scheme going to run for two years?

Senator Ian Campbell—Yes.

Senator MURPHY—I have raised some issues with regard to the verification processes for this scheme. It is going to work for only two years. In the course of our hearings on this legislation, we asked the tax office about verification. They said, 'Look, some of these things will work out as the thing unfolds.' But it is going to unfold over a relatively short period of time, and I am not sure how you can work it out as it goes along, given that it is a new scheme. I understand it will be 16c a litre.

With regard to registration of vehicles in particular—mainly trucks—the tax office say that they are negotiating with the states. I am still interested to know how that is going to work. I would appreciate more advice than what we got from the Assistant Treasurer about how it is going to work and whether the states are going to be paid for the information they provide. I also raised the following questions with the tax office: what happens when a vehicle is sold and what happens when a vehicle is owned but not operated in the same state as the residential address of the owner, because that occurs quite often in the transport industry.

Equally important is the question of fuel that is eligible for the grant but is being used for other purposes. Can the minister explain what checking processes the tax office will have? Where are we at this point in terms of checks and balances to determine whether or not claims being made for the 16c a litre are legitimate?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (1.37 p.m.)—These issues were gone into in some detail last Tuesday, as Senator Kemp said. But since Senator Murphy was not here last Tuesday I will repeat some of what was said. The government are putting in place a strict verification regime because we do not want

the system to be rorted. We think the grants scheme will be good for Australia. We think it will be good for the trucking industry and therefore the transport sector and therefore the efficiency of the economy. But we want to ensure that it is not rorted. As the honourable senator opposite would know, the ATO is well versed in compliance action where there is a self-assessment system involved. We already have the existing example of the income tax system, which is a self-assessment system. The Australian Taxation Office systems in place for that self-assessment system are regarded as efficient and, in many respects, world best practice. The same office will be implementing this system.

It would clearly be wrong for the commissioner to start from the assumption that every truck owner is going to seek to rort the system. The reality will be that most truck owners will not; most truck owners will work within the system, as they do now. I am informed that the commissioner has actually said this in relation to the tax paying community in general, and that is why we have self-assessment. On the other hand, we can rest assured that the commissioner will do what he has to to ensure that the grants scheme is not rorted. As we discussed at some length last Tuesday, both the bill and the explanatory memorandum contain details of the record keeping powers, and that was gone into over a period of a couple of hours last Tuesday. We went through the sorts of records that will need to be kept. We went into the powers that this bill contains to enable people to pull trucks over to the side of the road, which are very similar powers to those that exist in the fuel substitution act.

I am not sure whether the Labor Party supported that bill when it came through this place. You may not have. It may be the Labor Party's policy, which will emerge, I guess, at some stage before or after the next election, to roll back the new tax system. Maybe part of the roll back is to unwind this grants scheme and maybe to remove some of the verification procedures. I am not sure. You will obviously have to discuss that at your national conference and within the caucus. That may be part of the roll back, or the walk

back, that Mr Beazley refers to. Maybe you do not like strict verification and anti-rorting procedures within these sorts of legislative and regulatory regimes, but we think it is important that the scheme has integrity. This scheme and the powers in it to enforce the record keeping are provided to the commissioner to ensure proper enforcement.

Senator MURPHY (Tasmania) (1.41 p.m.)—I say to the minister, through you, Mr Temporary Chairman, that record keeping is one thing, but I gave an example both to the minister and to the tax office earlier about diesel fuel that is claimed as eligible for the grant but is used for other purposes. History will tell us that even with the diesel fuel rebate scheme there were problems and, of course, the then government moved to rectify some of those problems with regard to verification. But this is a new scheme. The minister has said, 'Look, the tax office has verification powers and stands on its record.' I would suggest to him and to the tax office, with no disrespect to the tax office, that the self-assessment program that it has in place at the moment has its own problems, and some of them are quite significant and have been stated publicly with regard to an existing, self-assessment process.

This is a new one. If somebody has an off-road operation, be it in mining, forestry or agriculture, where the diesel they purchase is eligible for the DFRS, or could be eligible under this new grants scheme, and it were to be used in another aspect of the company and/or the person's business—that is, where it would not be eligible—what is the process for checking that? There are many examples, and I am sure that the minister is aware of the potential for these things to exist. How do you actually check the volition of the claim as to whether or not all of the diesel is eligible? An example could be that the employees of a forest harvesting contractor could all have diesel vehicles—most of them do—and they could all fill up out of the contractor's diesel tank in the bush, and that diesel would not really be eligible for the scheme but you have the person claiming it. I am not sure that you can actually verify this and I think that, unless you have some process in place, you

are not going to be able to verify it. I will quote what Mr Colmer from the tax office actually said about that:

To some extent that is something that is going to develop as the scheme unfolds because we do not have detailed experience at the moment with this scheme. This is a new scheme that is starting next year. We are trying to get in place a balance of requirements so that people can undertake their business and we can actually monitor the arrangements.

It is the monitoring of arrangements that I would like to know about, because you do not have any records at the moment other than the diesel rebate scheme records. They are the only records, I would suggest, that the tax office has for you to be able to check as to whether or not, when this new scheme starts, people are actually making larger claims for diesel which they are using for other purposes. What is to stop a company or a person buying diesel for others?

Those are the sorts of things which were experienced with the early diesel fuel rebate scheme, and I would like to know exactly how you intend to monitor them. This is only a two-year program. I cannot accept the tax office saying, 'It will develop as the scheme unfolds,' because you are essentially going to have two financial years. I would have thought you would have been a little bit further down the track with regard to a detailed proposal of what types of checks and balances you intend to have in place to ensure that the 16c a litre that is going to be paid through the scheme is actually paid for what it is intended.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (1.46 p.m.)—There is not really a lot more to add. I realise the Labor Party have a range of views on these things, and I guess the challenge for the leadership of the Labor Party is to try to pull them together. Senator Conroy seems to think that this verification regime is far too strict and is going to impose too much on truck drivers. He would like to roll it back so it would be a slack sort of scheme that could easily be rorted. Senator Murphy is saying, I think, that it is maybe not tight enough, and

Senator Hutchins on Tuesday had his own concerns about whether trucks could be pulled over. There is a whole range of different views on the scheme. I guess the big challenge for those opposite is to come up with an alternative taxation system that will raise the revenue, that will be fair to people, and that will be efficient. We have sought to do that and this is obviously part of the arrangement.

What the honourable senator opposite quoted was an extract from the committee *Hansard*, I presume, where the tax officer said, 'It is a new scheme and we are going to develop it.' I think what was said in the *Hansard*, and I am sure it was quoted accurately, was a very wise and sensible contribution to the debate. It would of course be absurd for a tax officer giving evidence to a Senate committee to say, 'These are all the rules, it is all ready to go, and there is no more development of the program to take place.' The tax office, as I said on numerous occasions last Tuesday and now today, have experience in these self-assessment systems.

This is, as the tax officer before the inquiry said, a new system, but it is based on self-assessment. There is a range of powers available to the tax office. I refer the honourable senator to page 13 of the explanatory memorandum which, at 2.3, talks about part 4, which contains the rules about record keeping and substantiation. It refers to the fact that the commissioner can, for five years after a claim is made, go back and audit it. If someone seeks a grant, buys the diesel and then gives it to someone else—in other words they rort the system—that would be a fraud and against the Crimes Act. There would be quite serious penalties, the smallest of which would probably be to ensure that they are not eligible for any future grants. There is a whole range of methods. The tax office will verify that it is for business purposes, and any business records may be examined for that purpose. So if there is rorting and fraud going on, the chances are that, at some time, the tax office will find it and the person who is rorting will be charged with fraud.

Senator Murphy may have a suggestion as to how he thinks we could improve the measures to reduce the chances of rorting and

to improve the chances of people getting caught, so I welcome him back to the debate. At the moment all we have had is a series of Labor senators coming up with a range of different views. Some seem to want to make the system slacker and easier to rort—that is the Conroy faction. I have not figured out where Senator Hutchins is coming from. He has asked a series of questions about how trucks can be pulled over to the side of the road. I do not know whether Senator Hutchins thinks it is a good thing that a truck can be pulled over to see if they are rorting a grants scheme or whether he thinks you should just let them go on rorting. He may be just trying to get across the regime, which I informed the Senate last Tuesday is very similar to the fuel substitution regime in terms of the powers available to the commissioner. I do refer the senator to page 13 of the explanatory memorandum, which sets it out very clearly. There is nothing I can add to that, quite frankly.

Senator MURPHY (Tasmania) (1.50 p.m.)—For the minister's benefit and to clarify our position, Senator Conroy is saying that you really cannot verify this process without making it so restrictive and without having the record keeping so tough and onerous that it is hardly worth the trouble. It will be a cost to truck operators in particular. But that is not the question I am asking.

I might make this suggestion with regard to off-road agricultural, mining and/or forestry diesel, which is currently already eligible for the diesel fuel rebate scheme. Maybe it would have been a worthwhile exercise to make some assessment of the current fuel volumes used so that you would know whether or not there is a rort in the process further down the two-year track. That may have some application. This is a new scheme, and what has not been explained is where somebody puts in a claim and then uses the diesel for other purposes. The tax officer said this is going to develop as the scheme unfolds. This is the tax office that came before this committee—the tax office that you say has all this experience with regard to self-assessment programs.

I would have thought that they would have at least been able to come before the committee and say, 'Senator, these are the things we

have in mind in terms of checks and balances' and not 'This is a new scheme,' because that contradicts the minister's proposition to the Senate that the tax office have all of the experience. It was the tax office that came before the committee. If they have all the experience, why could they not have explained some of that experience to us in respect of this scheme?

I am not saying that you should make the record keeping tougher; I am saying that there ought to be some thought given to ensure that the scheme is not rorted. As I put to the minister before, the tax office already has a problem with self-assessment schemes. That has been publicly acknowledged by the Commissioner for Taxation. I would really like to know if they are going to work it out as it goes along. It has two financial years of running. Sure, the tax commissioner might be able to go back five years, but in this case he will only be able to go back two because that is the extent of its operation. How is he going to do all that? How are you going to run this and ensure that the diesel that is eligible for the 16c a litre is being used for the intended grant purpose? You are not answering those questions.

Senator HARRIS (Queensland) (1.53 p.m.)—I would like clarification from Senator Ian Campbell—or Senator Kemp, since he has returned to the chamber—in relation to private roads. Part of the criteria for eligibility is that the vehicle is to be used on public roads. Private property owners in North Queensland and, I assume, throughout the rest of Australia have extensive private roads—some of them far in excess of hundreds of kilometres. If they were on the public road they would be eligible for the rebate. My question is: are they eligible to access the grant if the same vehicle, carrying the same goods, is used on their own private roads?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (1.55 p.m.)—I am advised that, under this scheme, the proposition that Senator Harris puts is correct—that is, they will not benefit from this grant on private roads. But, under certain circum-

stances, depending on what they are carrying, they may be eligible under the DFRS.

Senator Sherry—Mr Temporary Chairman, I raise a point of order. I noticed that Senator Kemp was in the chamber. I think he has gone out to read a newspaper. Shouldn't the minister be dealing with the bill? It is his bill. I think we would make more progress if the minister who is supposed to be handling the bill were here. That is no reflection on Senator Ian Campbell. It is Senator Kemp who is causing the problem by dancing in and out of the chamber. We want some answers to the questions, and we do not want to be here until Christmas. I think Senator Kemp owes it to the chamber to answer the questions that are put to him when he is here.

The TEMPORARY CHAIRMAN (Senator McKiernan)—There is no point of order.

Senator HUTCHINS (New South Wales) (1.56 p.m.)—Senator Ian Campbell, I want to clear up for you where we might be coming from. There are no factions on this or a different point of view. What we are trying to ascertain from the government—and I think you may agree with me—is whether the new tax that you have introduced, and which you have made so complicated to comply with and administer, is going to be an administrative nightmare for the companies that are going to have to work within it and also for the Australian Taxation Office. In the end, this has all come about because we do not have a definition in respect of conurbated and non-conurbated parts of Australia. As I understand it, the grants scheme will apply, to a large degree, from where you purchase the diesel. Is that correct, parliamentary secretary?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (1.58 p.m.)—Mr Temporary Chairman, I think the most constructive way forward is for the answer to be given when we resume this afternoon. I think the question was actually canvassed on Tuesday. If the senator is not satisfied with the answer, I will make sure that we get an answer afterwards. It being nearly 2 o'clock, it is probably time for the committee to report progress.

Senator Faulkner interjecting—

Senator IAN CAMPBELL—Indeed. This is just proof of the pudding, Senator Faulkner. If we were to make a report at this time—and you will obviously need to prepare your thoughts and prepare the report and we will need to ensure that someone is in the—

Senator Faulkner—The opposition stands ready, willing and able to debate this issue. It is the government—

The TEMPORARY CHAIRMAN—Order!

Senator IAN CAMPBELL—I think it is time we reported progress. I guess if I were writing the report I would say that the progress was patchy but that we are certainly moving towards the consideration in detail stage of the bill in some detail. In the report I would say to the President that we are getting there. It is a slow progress, but it is some progress. It being the time for question time, I think it is time we reported progress.

Progress reported.

PARLIAMENTARY SERVICE ACT

The PRESIDENT (2.00 p.m.)—I wish to advise honourable senators of the commencement yesterday, Sunday, 5 December, of the Parliamentary Service Act, which for the first time establishes the Parliamentary Service as a statutorily separate service of the Commonwealth. Senators would be aware that the parliament recently enacted both the Public Service Act 1999 and the Parliamentary Service Act 1999. The Parliamentary Service Act establishes the Parliamentary Service and provides the legal framework for its leadership and management and the employment of its staff.

The act provides for the office of Parliamentary Service Commissioner, and Mr Speaker and I have appointed the Public Service Commissioner, Ms Helen Williams AO, to that statutorily separate and legally independent role. We have also appointed Mr Alan Doolan, who has been appointed Public Service Merit Protection Commissioner until 31 December 1999, to act as Parliamentary Service Merit Protection Commissioner until the same date.

The establishment of the Parliamentary Service is an historic development for the parliament. It emphasises the parliament's unique roles and responsibilities for legislation and accountability and also ensures the security and integrity of the employment arrangements of the staff who service the parliament.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Charitable Organisations

Senator LUDWIG (2.01 p.m.)—My question without notice is to Senator Newman, Minister for Family and Community Services. Is the minister able to confirm that the fundraising margin between the absolute cost of a charitable fundraising activity, such as a gala dinner, and the price an individual pays for the ticket will be subject to a 10 per cent GST that cannot be claimed back by the charity? Is it not a fact that the GST amounts to a direct tax on the net profit of charitable fundraising activities?

Senator NEWMAN—The first part of the senator's question is obviously the responsibility of the Assistant Treasurer. As to the second, the answer is no.

Senator LUDWIG—Madam President, I ask a supplementary question. Is the minister able to confirm that a donated weekend holiday sold at a charity auction raising money for disadvantaged children will be subject to a GST? Why does the Howard government, in league with the Democrats, want to tax charities for attempting to help disadvantaged children?

Senator NEWMAN—The answer to that question is the same as the answer to the first question.

Job Network: Rural and Regional Australia

Senator FERGUSON (2.02 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. No doubt the minister will be aware of the government's announcement regarding the \$3 billion Job Network 2. I ask the minister: can he inform the Senate of the benefits that this significant boost of

service providers will have for unemployed Australians, particularly those living in regional Australia?

Senator IAN MACDONALD—Senator Ferguson is particularly aware of workers in regional Australia. I can well appreciate his questioning on that aspect of the Job Network announcement made by the government last week. One of the best things any government can do for the people of Australia is to provide them with real jobs. Providing those jobs should be number one priority and it has been with the Howard government. Our improving economy Australia wide has meant an improvement in job prospects. From the tragic figures of the Labor years—double digit unemployment of 10, 11 and 12 per cent—the unemployment rates in Australia at the present time are down to around seven per cent. The announcement by my colleague Mr Abbott of new Job Network sites will certainly help job seekers in Australia, particularly in regional Australia, meet up with employers who have employment and are seeking workers for that employment.

The Job Network sites, as announced last week, will increase Australia wide from some 1,400 at the present time up by 50 per cent to some 2,100. In regional Australia, where unemployment regrettably is a fraction higher than it is in metropolitan Australia, the number of Job Network sites actually doubles from 600 sites to 1,150 sites. More than 300 new Job Network sites, including outreach sites, will be established in towns in regional Australia which currently do not have a Job Network presence. These include places like Gilgandra and Bellingen in New South Wales, Daylesford and Nagambie in Victoria, Charleville, Mossman and Barcaldine in Queensland, Karratha and Halls Creek in Western Australia, Docker River in the Northern Territory and Coober Pedy in South Australia.

I am pleased that Michael Raper from the Australian Council of Social Service has said about our announcement to increase the number of sites that 'having more of them, having them closer, having them more local is a big help to unemployed people'. He went on to say that this will mean less travel and

less cost for people who want access to employment services.

Madam President, in Job Network 2, which will be a performance driven system for the delivery of employment services in rural and regional Australia, a number of agencies are increasing their involvement in job placement. They include Mission Employment and also the Salvation Army's Employment Plus agency. They will both be recruiting staff in the next three months. Thanks to the big expansion of sites, I am advised that there could be an additional 500 jobs in the Job Network itself.

This good news in helping with a decrease in unemployment and with employment opportunities, particularly in regional Australia, is in stark contrast to the Labor Party's approach. Labor leader, Mr Beazley, should be embarrassed by his continuing failure to produce the ALP's employment policy. He promised to release it last September, you might remember. Then he said it would be before the end of the year. (*Time expired*)

Goods and Services Tax: Charitable Organisations

Senator JACINTA COLLINS (2.07 p.m.)—In the light of Senator Newman's previous answer I will direct this question to Senator Kemp, as Assistant Treasurer. Can the Minister confirm that a sponsorship made by a financial institution to a charity or any other not-for-profit organisation like a sporting club will be subject to the Howard government's 10 per cent GST? Will the minister also confirm that the 10 per cent GST cannot be claimed back by the sponsoring financial institution because they are not entitled to claim GST input credits? What right does the government have to skim 10 per cent of sponsorship moneys made to needy charities in Senator Newman's portfolio by financial institutions, and does this not conflict with the Howard government's so-called commitment to a social coalition?

Senator KEMP—Thank you to Senator Jacinta Collins for that question. Senator, let me make a general comment on charities before I get to the specifics of your question. Under Labor's wholesale sales tax system

charities pay embedded sales taxes on their charitable activities. The Labor Party wishes to keep this. We want to lift that burden. Under Labor's tax system, charities pay full excise on their petrol. Under the coalition, the price of petrol will fall for charities. I am just going through the impact on charities under Labor's proposed system.

Under Labor's system some families are in such bad poverty traps that they face effective marginal tax rates of 100 per cent. We have made some very important changes in this direction. Under our system there is a real increase in pensions and benefits and very substantial cuts in taxation for families. We are putting in place a major tax reform package which will benefit charities and which will benefit the clients of charities. The Labor Party policy is to do absolutely nothing.

The issue of fundraising through sponsorships was raised. Fundraising through sponsorships will be largely unaffected by GST, as the extra cost of the business sponsor will be offset by any input tax credit that it can claim. Where the sponsoring institution cannot claim an input tax credit the charity is in precisely the same position as all other potential sponsors. We do not think that the sponsorship will affect charities. In fact, the charities will receive many advantages under our tax system.

Senator JACINTA COLLINS—Minister, my question stressed the particular circumstances of sponsorship from financial institutions. A supplementary question: how does the minister respond to comments by St Vincent de Paul on the weekend that the application of the GST to charitable fundraising activities is 'mean-spirited' and that the GST in general is an absolute nightmare for charities? In the light of these comments from one of Australia's largest charities, how can this government still claim, as you indeed just did, that the GST will not hurt charitable organisations?

Senator KEMP—Senator, I did answer your question. That is always the problem when a prepared supplementary is available. You do not listen. I said fundraising through sponsorships from business will be largely unaffected by the GST, as the extra cost of

the sponsor will be offset by any input tax credit it can claim. Then I said that, in the case where you cannot claim an input tax credit, the sponsorship with the charity should not be affected because it is in the same position as any other sponsorship that the organisation may deliver. This tax system will provide very substantial real benefits to the clients of charities. It will provide benefits to charities. This government is not mean-spirited. It is the Labor Party which has no policies, the Labor Party which stands for nothing, which is mean-spirited. (*Time expired*)

Education: Youth Allowance

Senator McGAURAN (2.12 p.m.)—My question is to the Minister for Family and Community Services, Senator Newman. Will the minister inform the Senate of any new information supporting the government's new youth allowance payment and how this payment improves upon previous income support arrangements?

Senator NEWMAN—Is it not a pity that the opposition never thinks to ask such an intelligent question? I am grateful to Senator McGauran for following this issue with such interest. The youth allowance payment was introduced on 1 July 1998 following extensive consultation with the community. It replaced five payment types for young people, all of which had different payment rates and different eligibility requirements. The main payment replaced was the previous Austudy, which had a number of structural disincentives for young people to choose study or training over the dole. Under Labor's system it was okay for young people to choose the dole. Actually, they made it easier for young people to do so. I wonder how Labor reconciles this policy stance with its supposed support of a more knowledgeable Australian society.

Youth allowance has rebuilt from the ground up the income support system. Young people now can see to it that taxpayers' funds are targeted to those who are most in need. Youth allowance has provided incentives to stay in education or training until the age of 18. Let me remind all senators that Labor opposed the introduction of youth allowance.

Let it be very clear: the ALP opposed the introduction of youth allowance. Presumably they wanted to maintain a system where it was financially more advantageous to stay on the dole than to acquire skills. The reform of income support arrangements for young people and the introduction of the youth allowance represented an additional outlay of taxpayer funds for young people. An additional \$254 million has been allocated to the payment over its first four years. That is something Labor should acknowledge, rather than trying to wage a misleading campaign in the community on behalf of the union movement.

The figures that have been released as part of the mid-year economic and fiscal outlook show that the number of youth allowance customers at 5 November included 310,908 students. That is an increase of seven per cent over the same time last year. The average number of full-time students in 1998-99 was 273,126 and the projected average for 1999-2000 is 312,425. The growth in the number of students receiving youth allowance dispels the myths perpetuated by Labor that fewer people are continuing with their studies. It suits them to perpetuate those myths. Not only are more people staying and completing high school; the number of students between the ages of 21 and 24 receiving youth allowance has increased 10 per cent.

Clearly, as a policy, youth allowance is already proving to be an outstanding success. More people are completing school and more lower income people are undertaking tertiary education. More lower income people are taking on tertiary education. People with education and skills, as we all know, have a clear advantage in the job market. I would have thought the ALP would care about them. As I said in my speech to the National Press Club in September, the youth allowance represents an excellent example of welfare reform.

Senator Chris Evans—A great speech, too! Seminal!

Senator NEWMAN—Thank you, Senator Evans. I am glad that you endorse it. It demonstrates the Howard government's credentials as we move into the review of

welfare dependency for people of work force age. The redesign of this payment demonstrates very clearly that welfare reform is of vital importance. We did it for students and young people looking for work and we want to do it for the rest. (*Time expired*)

Goods and Services Tax: Charitable Organisations

Senator FAULKNER (2.16 p.m.)—My question is directed to the Assistant Treasurer. I ask whether the minister is aware of the requirements of clause 10 in the contract which all charities must sign in order to have access to Treasury GST start-up assistance that says:

The Commonwealth has the right to require prior approval by the office of the content of all advertising material or other material made available or produced for distribution. The organisation shall favourably acknowledge the contribution of the Commonwealth to the organisation in any correspondence, public announcement, advertising material or any other material produced by or on behalf of the organisation for or in relation to the project.

Can the minister explain how this requirement that charities give favourable comment to the Howard government in return for GST implementation funding is any different from radio's cash for comment scandal?

Senator KEMP—Truly, this is one of the more pathetic questions we have had from Senator Faulkner in question time. It is absolutely pathetic. Frankly, the government is providing a great deal of assistance to charities. Charities would be happy to acknowledge the assistance the government is providing to charities. It has nothing in common with the nonsense that you stated at the end part of your question.

This is a government which is very proud of its tax package. It is a tax package that is delivering very real benefits to taxpayers and people in receipt of pensions and benefits. There are real rises in pensions, which was never part of the Labor Party policy. We are happy to consult with charities, and this is exactly what we are doing. We have a consultative committee which is working with charities to make sure that the implementation of the GST is carried through smoothly. It is

about time the Labor Party got serious on a few policies. The Labor Party does not know where it stands because, frankly, it stands for nothing.

Senator FAULKNER—Madam President, I ask a supplementary question. Can the minister now explain to the parliament why this requirement that charities give favourable comment to the Howard government in return for GST implementation funding has been put in place by the government in clause 10 in its contract with all charities, which they must sign in order to have access to Treasury GST start-up assistance? Why is that clause in place? Why are charities forced to make favourable comments about this issue in return for government funding?

Senator KEMP—The senator has essentially asked the same question again. The answer is essentially the same. The truth of the matter is that I have no doubt the charities would be very happy to acknowledge any assistance that the government is giving. If you can name a charity that is opposed to it, I would be quite astonished.

East Timor: Refugees

Senator BARTLETT (2.20 p.m.)—My question is addressed to the Minister representing the Minister for Immigration and Multicultural Affairs. I refer the minister to the ongoing return of refugees to East Timor. Is it not now clear both from media coverage and from statements made by some of the East Timorese themselves that some of the refugees do not want to return at this time? As department officials confirmed at last week's estimates committee hearings, the decision as to whether people may stay lies solely with the minister. Will the government now stop pretending that all East Timorese are voluntarily returning?

Senator VANSTONE—I think I thank the senator for his question. There was a slightly negative undertone in his question. In the answers given to you last week, I made it very clear to you that anyone who did not want to return could raise the matter with the minister directly. It is not my view that that is something you secretly discovered in estimates. It is my view that that is something

that was put on the record here. If my memory does not serve me well, I will be happy to have you correct me in that respect.

The minister has always been perfectly open about this. The large bulk of people do want to return. If there were any that did not, they could make an application directly to the minister. You ask whether it is now clear that heaps do not want to return. No, I do not think it is. My answer as given to you last week stands.

Senator BARTLETT—Madam President, I ask a supplementary question. How can the East Timorese have any confidence about the minister exercising his discretion to allow them to stay longer when there is no way to compel the minister to even consider their request to stay, no avenue of appeal against his decision and not even any guidelines developed for the minister in making any decision? As a number of East Timorese who have been based in WA have indicated, they wish to stay here in Australia until the monsoon season is over in their homelands and the conditions are less hazardous. That is about another three months. Why will the government not accede to this perfectly reasonable request?

Senator VANSTONE—There we are again. Senator Bartlett attributes bad faith to the minister. The minister advises me that, if people want to stay beyond that which the government at this stage has indicated is appropriate, they can make an application to him. Instantly, you come in here with the assumption that he will not listen to them. You say, 'Well, how do we know he is going to listen?' The assumption on your part is that he will not listen. I think, Senator, you might consider over a period of time giving Mr Ruddock greater credit than that. But since you chose to raise in your supplementary question the matter of the people in Leeuwin who do not want to move to the East Hills, there will not be time to answer it. You did not raise that in your first question. I have a draft answer which I will have sent round to your office after question time.

Goods and Services Tax: Charitable Organisations

Senator QUIRKE (2.23 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Why have casinos been exempted from paying GST on millionaire high-roller rebates while the Howard government will force charities to pay GST on the government grants they receive?

Senator KEMP—In relation to high rollers, there was an amendment passed through this Senate which ensures that the overall burden of tax paid by high rollers will be the same after the GST. The GST does have the effect of making sure that in some areas high rollers who do not pay tax under the current system pay tax under the GST arrangements. We believe that that was an important outcome. In relation to charities, the fact of the matter is that, where a government grant subject to GST can be claimed back as an input tax credit for registered charities, the net effect is the same.

Senator QUIRKE—Some of us are not convinced. A supplementary question: why does the Howard government, with the support of some Democrats, want to tax charities and the poor yet were more than happy to hand out multimillion dollar GST breaks to Liberal cronies and the high-roller mates?

The PRESIDENT—I think that adjective should be withdrawn.

Senator Faulkner—What word?

The PRESIDENT—The word 'cronies'. It is an inelegant word that adds little to the question and ought not to be there.

Senator QUIRKE—Would you like me to rephrase the whole supplementary question?

The PRESIDENT—No. I just ask you to withdraw that word.

Senator Quirke—I withdraw it.

Senator KEMP—Indeed, I was surprised that Senator Quirke stooped that low. We normally expect that to occur with Senator Faulkner. I do not know whether he is seeking to compete with Senator Faulkner. How low can you go?

The PRESIDENT—Senator Kemp, I draw your attention to the supplementary question.

Senator KEMP—The GST will not adversely impact on government grants. That was the answer I gave you the first time round. This is the second time. Where a grant by a government constitutes consideration for a supply of services by a GST registered organisation, it will generally be taxable. For a registered body, there is no net effect. Senator Quirke should not go around trying to scare charities and should look at the huge positives there are in this tax package for charities and for other organisations.

East Timor Peacekeeping: Cost Burden

Senator HARRADINE (2.26 p.m.)—My question is directed to the Minister representing the Treasurer. The Prime Minister, quite rightly, expressed the pride of the Australian populace for what the troops are doing in East Timor and our appreciation to them and to their families. However, can the minister explain why the cost burden of the exercise in East Timor is going to fall heaviest on those taxpaying families? In particular, could he explain why it is going to fall unfairly on those single income families earning slightly over \$50,000? (*Time expired*)

Senator Brown—Madam President, I raise a point of order. I seek your explanation. I do not want to cut across the question and answer, but the question today was due to go to me. I am not aware of any change to that order, so I would seek an explanation.

The PRESIDENT—There is one question to each of the non-major parties on the three days of the week, and that is what happens. I had a request from Senator Harradine's office. I am sure I will have a request from your office for tomorrow. I did not realise that you thought it was a rigid formula that was not capable of being varied amongst the days of the week when the questions come up.

Senator Brown—On a point of order, Madam President—

The PRESIDENT—I think you are out of order, Senator. It is a matter that can be discussed separately.

Senator KEMP—Thank you, Senator Harradine, for this question. In response to Senator Harradine's question, I would point

out that all lower to middle income families will be unaffected by the temporary Defence-East Timor levy. The levy applies only to the 2000-01 income year. Single income families with dependent children and income of up to around \$100,000 will receive greater benefits from the new tax system than dual income couples on similar income. For example, after the impact of the levy, a single income family earning \$70,000 will still receive around an extra \$59 per week, a very substantial net benefit. This is because single income families also benefit significantly from the government's families package, which provides greater choice to families. Around 97 per cent of single income families earn less than \$100,000.

The levy, I think, has been welcomed by all sides of parliament. There is a recognition that there was a need for a temporary levy. In considering the options, the government always wishes to do things in a fair and equitable fashion, and we believe, all things considered, with this levy and the way we have arranged it, it is fair and equitable, particularly when you take account of the very substantial tax cuts that this government will be providing to families, and in particular to single income families.

Senator HARRADINE—Madam President, I ask a supplementary question. It is a nonsense for the minister to say that they are bringing in the GST and the compensatory package for what they are paying out. That has got nothing to do with it. How can you explain to the troops and their families that they are going to be bearing the cost burden and corporate Australia is going to pay nothing? Why can this important project by Australia not be funded by the normal taxation measures?

Senator KEMP—Senator, I think raising your voice does not add to the weight of your argument. The point of the matter is that we are delivering very substantial tax cuts. There is a levy, but what we are saying to you—which I would have thought you would have strongly supported—is that we are substantially increasing, after the compensation package, the net benefits to single income families. I would have thought, of all people in this

chamber, Senator, you would have been the one that would have welcomed that.

Goods and Services Tax: Stamp Duty

Senator COOK (2.32 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the minister confirm that the federal government made no provision in its intergovernmental agreement with the states to prevent them from applying stamp duties to the Howard-Lees GST, thus allowing the states to make a windfall revenue gain from applying a tax on a tax? Why did the Assistant Treasurer consistently mislead the Australian people by telling them that the Howard-Lees GST would not result in a tax on a tax, but then enter into a secret agreement with the states which allows them to do just that? Given that the government's secret plan has now been revealed, what is the government going to do to prevent the states from levying stamp duty on the GST?

Senator KEMP—Senator, let me make it clear that the government is not putting a GST on stamp duty. The question is essentially, I believe, whether the states will put a stamp duty on the GST inclusive price. I think Mr Egan, the Labor Treasurer in New South Wales, made a useful comment on that. He said essentially—and I do not have his exact quote here—that if there is a windfall gain he could see a case for an adjustment being made. He indicated very clearly that he was not seeking a windfall gain out of this measure.

Senator COOK—Madam President, I ask a supplementary question. That is a very incomplete answer, and I can only imagine it is aimed at evading the question. If it is up to the states to adjust their stamp duty rates to ensure that consumers are no worse off, which is the point of the Egan reference, how many states to date have signalled to the Treasurer—and would you name them—that they intend to adjust their stamp duty rates accordingly? While you are answering that question, perhaps you can tell us whether it is true that Premier Richard Court in WA has just passed legislation and claimed that by applying WA stamp duty to the GST his government will be \$15 million better off. In light of this, when does the federal govern-

ment expect Mr Court to adjust his state government's stamp duty tax rates?

Senator KEMP—Let me make it clear that, to the undying regret of the Australian nation, a reasonably high proportion of state governments are now under Labor premiers. I assume that Labor premiers would not be seeking to make a windfall gain. I mentioned Mr Egan to you, but, in relation to Mr Court, Mr Court has indicated that if there is an increase in revenue coming through we do not have difficulty in adjusting rates. I think that what you are trying to do—as always—is to beat up some particular scare campaign. The truth of the matter is that Mr Court has made some comments on this and Mr Egan has made some comments on this. You may care to approach Premier Bracks; I do not know whether Premier Bracks is seeking to make a windfall gain.

Senator Cook—Who's telling the truth?

Senator KEMP—Senator Cook has been away for a week at the WTO; he probably missed the debates on this issue. (*Time expired*)

Nursing Homes: Funding

Senator KNOWLES (2.35 p.m.)—My question is to Senator Herron, the Minister representing the Minister for Aged Care. The coalition government has demonstrated a strong commitment to quality of care for older Australians. Will the minister outline to the Senate what benefits will flow from the government's response to the Productivity Commission's nursing home inquiry into coalescence?

Senator HERRON—I thank Senator Knowles for the question and for her continued interest in aged care. It gives me the opportunity to expose the disgraceful and deceitful scare campaign waged by the Labor Party during the last few months. We have got evidence now that they are running the scare campaign both in this place and the other in relation to charity. So what is new, I suppose. Labor believe that there is political mileage in terrifying senior Australians, and now charities, but the coalition government have gone about the business of ensuring there is quality care for individual older

Australians in need of care. It gives me great pleasure to inform the Senate that a short time ago my colleague the Minister for Aged Care, Bronwyn Bishop, announced funding of \$148 million as a boost to nursing homes.

Senator Chris Evans—What's Aged Care Queensland saying about it?

Senator HERRON—I know Catholic Health Australia has described the funding announcement as 'generous' and commended Minister Bishop for 'keeping the interests of the frail elderly at the forefront of the deliberations' and for ensuring 'fairer care subsidies across the country'. So, Senator Evans, put that in your pipe and smoke it! Catholic Health Australia, Uniting Community Services Australia, the Uniting Church and Baptist Care Australia, the biggest owners of nursing homes in the country, have all supported today's announcement.

The government's response, which provides an extra \$148 million in recurrent payments over the six years to 2005-06, will see an enormous \$83.6 million boost to my home state of Queensland. Where are Senator McLucas, Senator Ludwig, Senator Hogg and Senator Gibbs? All out clapping for Queensland.

The PRESIDENT—Order! Senator Herron, I have called you a number of times to bring you to order. You should not be directing your remarks directly across the chamber to senators.

Senator HERRON—Madam President, on a point of order: I said, 'Where are Senators Gibbs,' et cetera; I did not address them directly.

The PRESIDENT—You have made remarks directly across the chamber, and I direct you not to do so.

Senator HERRON—I will repeat that my own state of Queensland was a major beneficiary. South Australia will gain \$14.7 million, Western Australia will gain \$3.5 million and the ACT will gain \$300,000. This funding boost is part of the government's response to the Productivity Commission's inquiry into nursing home payments.

I remind you, Madam President, that the government established the inquiry in 1998 to

consider the issue of managing the change from different payment rates in each state to uniform national payment rates for nursing home high level care. The existing coalescence policy will be replaced with a funding equalisation and assistance package under which states will reach uniform national rates at different times over different periods to give an equitable outcome. This response clearly addresses the issue of equity between states and provides for uniform national rates to be achieved two years earlier—on 1 July 2002.

Victoria will gain \$39.6 million and Tasmania will gain \$6.3 million. For these states this will ensure ongoing annual increases in funding each year. The government will also commit \$1 million to help address aged care work force issues by, for example, promoting the aged care nursing work force, assisting with the retention of the existing work force and assisting to attract new entrants to that work force. It is very important to support measures to encourage a strong and committed work force for aged care. I know Senator West supported that in the estimates committee hearings.

The government's response has been based on lengthy consultations with peak industry bodies, including major owners, consumer groups and others. The response has been very positive and this can only strengthen the partnership between government and industry in providing high quality aged care services. The \$148 million boost is new money in addition to the substantial increases in funding delivered by this government since coming to office. Commonwealth payments for residential aged care beds have increased from an average of \$18,135 per bed in 1995-96—when Labor was last in government, I might say—to \$23,648 per bed in 1999-2000. These increases will continue into the future. Over the next six years funding for nursing home high care is projected to grow at an annual average of over five per cent nationally. (*Time expired*)

Goods and Services Tax: New Cars

Senator FORSHAW (2.40 p.m.)—My question is directed to Senator Kemp, the Assistant Treasurer. Can the minister now

confirm that the government's promise of a \$3,000 fall in the price of a new family car due to the Howard-Lees GST was blatantly false? Why has the government deliberately misled the Australian people as to the supposed benefits of the GST as it applies to new car prices?

Senator KEMP—This truly is one of the most fantastic questions. We are cutting taxes on cars; the Labor Party wishes to keep up taxes on cars. That is what you are doing. If you cut taxes, you cut costs, and prices follow in a competitive market. Of course they do.

Opposition senators interjecting—

Senator KEMP—Let me put it a different way. The Labor policy is to raise taxes on cars, which is what you did when you were in government; our policy is to cut taxes on cars. This is a very substantial cost saving. I challenge the questioner, when he gets up to ask a supplementary question, to indicate whether there is anyone in the car industry calling for the wholesale sales tax to be imposed on cars. I ask that because that is the Labor policy; our policy is to cut taxes on cars.

Senator Faulkner—You've got the whole car industry up in arms.

Senator KEMP—I would point out to Senator Faulkner that there is no-one in the industry calling for the wholesale sales tax to be retained lock, stock and barrel. That is the Labor Party tax. We are seeking to cut taxes on cars, and we make no apology for that whatsoever.

Senator FORSHAW—Madam President, I ask a supplementary question. I remind the Assistant Treasurer that the original promise made by the government was that the price of a new car would fall by \$3,000 following the introduction of the GST. That promise has now been disowned by the Minister for Industry, Science and Resources, Senator Minchin, and it has been disowned by the Prime Minister, who seeks to shift the blame if that promise is not kept to everybody else except the government. Given that that promise is no longer able to be kept, and will not be kept, by this government, can you now give any

guarantee at all as to what the price of a new car will fall by on 1 July?

Senator KEMP—The senator purports to quote Senator Minchin, and Senator Minchin called out ‘nonsense’. The quote that you were allegedly making was quite untrue. We are cutting the taxes on cars; we are therefore cutting the costs on cars. No-one is calling for the Labor Party wholesale sales tax on cars to be retained. We are very proud of this policy. We expect the cost of cars to fall, and the prices of cars to fall.

Aboriginal Art: Authenticity Labels

Senator RIDGEWAY (2.44 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. Could the minister detail what the government has done to bring about and support the label of authenticity to protect indigenous artists from appropriation of their work and culture, which was recently launched by the National Indigenous Arts Advocacy Association?

Senator ALSTON—Certainly there has been a lot of work done on this issue over a considerable period of time. I have had discussions with NIAAA on several occasions and I am aware that there have been ongoing discussions, most recently at a conference in Cairns where the issue was debated quite exhaustively, and there is a further meeting to be held in the not too distant future. We still remain concerned about a number of aspects of the project despite, I think, the genuine endeavours by a number of people to try and ensure that we do achieve a sensible outcome. I think we are all interested in and committed to a proper label of authenticity and one that gives a level of confidence not only to consumers that they are able to rely on what happens to be contained on the painting but also to members of the Aboriginal community themselves who are participants, whether we are talking about the artist, whether we are talking about those who might assist the artist or whether we are talking about members of the wider community who have an input.

There are existing laws and regulations which do provide strong protection for artists, dealers and purchasers, and I am sure that

Senator Ridgeway would be aware of recent committal proceedings in Sydney where action was taken by the police. I think it is not the first time that matters of this sort have been explored. You would have seen the story at the weekend about Ginger Riley. He is very concerned that other people have been putting his signature on works that are not his. So there is clearly a lot of work being done already to try and stamp out the more criminal aspects of this activity, but I think it is important that we do achieve an authenticity label as quickly as possible, and certainly ahead of the Olympic Games.

We do note the recent launch by NIAAA of the authenticity label. It is a project that has received substantial support from the government through both ATSIC and the Australia Council, and we do support the introduction of an authenticity label in principle. However, concerns have been raised by various stakeholders and the government have in turn raised these with NIAAA, and we are hopeful that those discussions will result in a model that everyone can have confidence in. But I do stress that it is not just a matter of calling a press conference and saying that you are in favour of authenticity labels. It is a matter of actually getting it right, doing the homework; not just frittering money away on so-called awareness raising projects. I think the much more important element is to actually have a formula that will give everyone in the industry confidence that the works are what they purport to be.

Senator RIDGEWAY—Madam President, I ask a supplementary question. I thank the minister for his answer. Is the minister aware of the article in today’s *Daily Telegraph* on page 9 entitled ‘Aboriginal dot con’ which shows a Swiss backpacker painting a dot painting for sale as an Aboriginal artwork? Can the minister guarantee that the government will move fast in ensuring that there is a regime put in place to protect indigenous artists, and can the minister be sure that the dot paintings in his own office are in fact authentic works?

Senator ALSTON—If they are not, I have been duded. As I understand it from that article this morning, Fay Nelson is very much

on the case and presumably has brought these matters to the attention of law enforcement officers. Again, it is not the first occasion on which these sorts of allegations have been made. It was suggested to me only a few weeks ago that there was effectively a factory in Far North Queensland that was churning these works out and that there are even places in Indonesia which are doing work on commission. Essentially, I think it involves a range of people doing similar works but having the one name attached to that body of work and therefore trying to create a brand name around a particular individual. These are passing-off matters. They are quite clearly attempts to defraud consumers. (*Time expired*)

Goods and Services Tax: Car Industry

Senator McKIERNAN (2.49 p.m.)—My question is directed to Senator Kemp, the Assistant Treasurer. Can the minister confirm that the Australian Bureau of Statistics figures released recently show that there has been a 13.7 per cent decline in new passenger vehicle registrations in the last year? Does this figure confirm the government's own mid-year economic outlook for 1999-2000, released last week, which predicted a \$421 million shortfall in sales tax revenue, all due to the GST buyers strike?

Senator KEMP—Let me deal with the last part of the question first. I think the mid-year review showed there were a number of issues that were involved. The phrase 'buyers strike' was never mentioned. The fact of the matter is—I understand, from memory—that in the papers this morning the figures for November have come out, and they do not show evidence of a buyers strike. In fact, the figures for November are actually quite good and only marginally below the previous year's. I will check on that, and if it needs to be corrected I will come back into the chamber—

Senator Minchin—Spot on.

Senator KEMP—I have just been told it is spot on by the minister to whom this question probably should have been directed. So there we are. Senator, we are always happy to help and in particular we are always happy to help you, because I know that was a genuine

question. The truth of the matter is that what this government is proposing for the car industry is cutting taxes on cars, which is good for the industry. The logic of the Labor Party position seems to be that if you increase taxes on cars that is good for the industry. The problem with that position is that no-one in the car industry would believe you. As I said earlier on in question time, no-one is calling for the reimposition of the wholesale sales tax on cars after 1 July next year. Everyone wants that system to go, particularly the car industry, because the car industry can see that in the medium and long term they are big winners under the new tax system.

Senator McKIERNAN—Madam President, I ask a supplementary question. If I had wanted information from today's newspaper, I would have asked the minister for it. Minister, I was actually asking you a question about sales tax revenue and the predictions of a \$420 million shortfall. Isn't it true that the government's only action to help the flagging Australian car industry in the face of the GST buyers strike is that Mitsubishi will supply 800 new Magna Advances as part of the government fleet in order to provide motor vehicles to GST tax inspectors? Doesn't this just add insult to injury from a government that has no intention of assisting the flagging car manufacturing industry on a systematic basis?

Senator KEMP—Senator McKiernan is part of a party that wants to lift taxes on cars. We happen to be part of a government which wishes to cut taxes on cars. Senator McKiernan somehow thinks that a part of a grand car plan is to lift taxes on cars. The only trouble with that is that no-one in the car industry believes you; no-one believes you at all. As for all his talk of a buyers strike, as I mentioned—

Senator McKiernan interjecting—

Senator KEMP—You mentioned a buyers strike, Senator, and I mentioned to you that the figures for November showed a very small fall compared with the record figures last year, so I do not know where you are coming from. This government, through its tax reforms, is going to be of major assistance to the car industry.

**Rural and Regional Australia:
Telecommunications**

Senator BROWNHILL (2.52 p.m.)—My question is addressed to the Minister for Communications, Information Technology and the Arts, Senator Alston. Will the minister inform the Senate of the latest round of Networking the Nation announcements? How will these further expand the range of communications services in regional Australia? Is the minister aware of any alternative policy approaches, and what would be the impact if these were implemented?

Senator Schacht—The rorts! Write that down, Richard.

Senator ALSTON—An additional \$214 million was provided under the social bonus initiatives as a result of the sale of the second tranche of Telstra. That is, of course, in addition to the \$250 million that is already in place, and of that some \$132 million has already been expended on some 305 projects. But the latest round of funding involves \$25½ million to assist 71 new and 13 previously announced projects. So, measuring these against the test that Senator Schacht has just set for us, I would like him—or perhaps any of his colleagues—to indicate which particular ones of these he would regard as rorts so we can make sure we target the press release in the appropriate areas. Two million dollars for an outback regional telecentre network to establish telecentres in eight towns in outback New South Wales and two towns in outback South Australia—a rort or not a rort? All right, it is not a rort. Farm management: \$202,000 to provide training and awareness through a series of workshops to a number of pilot farm projects throughout Victoria—a rort or not a rort? Not a rort—okay, two out of two.

Honourable senators interjecting—

The PRESIDENT—Order! There are too many interjections and there is an appropriate place to take note of the answer and debate it if that is what you wish to do.

Senator Cook—Madam President, I rise on a point of order. The minister is directly addressing questions to the opposition in breach of standing orders that require that

questions are to be put through the chair. Would you draw him to order and ask him to conform to standing orders?

The PRESIDENT—That is correct, but the opposition is interjecting loudly as well. Senator Alston, I would remind you to direct your remarks to the chair.

Senator ALSTON—I will just continue with the list: online access for people with disabilities—\$1.5 million in Tasmania; mobile coverage, putting Eyre Peninsula on the map—\$1.3 million to provide mobile phone coverage to the Eyre Peninsula towns in South Australia; mobile telephony in regional Western Australia—\$1.6 million for the central-eastern wheatbelt mobile telephone extension project; remote Far North Queensland information technology access—\$1.7 million; and \$260,000 to 10 community councils in the Northern Territory.

I ask anyone, particularly those opposite, to indicate which of those they regard as rorts, because they have reached the stage where they are congenital offenders; they cannot help themselves. You have Mr McMullan—who is the industry and technology spokesman, so he should understand what all these things are about—out there basically saying that it is a slush fund. Of course Senator Schacht has gone down in political history for that infamous press release he put out during the last campaign where he basically said, 'We'll immediately freeze and review the operation.' He did not even have the political smarts to say where he would spend the money, so he got the big hit in the head for knocking it off and no credit for applying it anywhere else.

Senator Schacht—Going to all your mates, you dope. You and Hilly rorted it.

Honourable senators interjecting—

Senator ALSTON—Have you been formally rebuked for your performance at that lunch last week yet?

The PRESIDENT—Order! There are too many interjections.

Senator ALSTON—Senator Lundy of course went along to the National Farmers Federation and gave Networking the Nation a big serve. You can imagine how well that

went down—classic lead balloon. They said, 'But you were the one who came along and said you couldn't be sure about the privatisation of Telstra after the last election.' So Senator Lundy unfortunately already has priors on the matter. I will conclude by saying we have a poll driven Leader of the Opposition: he has been out there talking about polling on the GST, polling on the referendum and polling on Telstra. I would have thought that, at the very least, you could do a bit of polling on regional and rural Australia just to find out what they really think of these sorts of projects. I tell you what: they are very keen on them, they would like to see more and they just wish you would stop bagging them.

Senator BROWNHILL—Madam President, I ask a supplementary question. Minister, you have actually told us about some of the latest rounds of the announcements of the new projects but could you further expand on the range of the communications services through which people are actually going to be helped and assisted? Also I do not think you have elaborated enough on the policy void of the opposition.

Senator ALSTON—These are two equally important questions, and each of them deserves a book. There are a great number of projects. I think I indicated that over 200 have already been announced under this program, and each and every one of them has gone down exceedingly well because they cover the field—they cover the bush, in fact. What this does is ensure that, where you cannot get commercial services, you are able, in conjunction with local communities who make the identification—and, of course, Labor never understands this—to have at arms-length decision making by that board. If we are talking about sensible policy alternatives, let us see Labor introduce an arms-length project. It would be an absolute world first, because they do not believe in them. They believe in handing out things and asking you to be grateful. Senator Schacht wanted to keep that power of direction. They want to tell Telstra, 'We've got a political problem there; fix it,' and 'We're a bit short of money; give us

more.' That is not our approach. (*Time expired*)

Goods and Services Tax: Compliance Costs

Senator SCHACHT (3.00 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Minister, does the 5.25 per cent estimate of the impact of the GST on prices include the effect of businesses passing on the total bill for complying with the GST, a bill now expected to be \$3 billion?

Senator KEMP—The changes to indirect tax arrangements are estimated to increase the CPI by around 2¾ per cent through the year to the June quarter 2001. This excludes the impact of higher tobacco taxes. The effect would be about 2¼ per cent. The 2¼ per cent revised estimate is broadly similar to the overall first year impact of the original package of around three per cent, which was presented to the Senate select committee. In the longer term, the overall effect of the ANTS measures on the CPI will be around 2¼ per cent, or around 1¾ per cent if tobacco is excluded. This compares with the 1.9 per cent which was quoted in the ANTS package. These measures take into account the very substantial benefits which flow through to prices. Some prices will fall, and some prices will rise.

Senator SCHACHT—Madam President, I ask a supplementary question. Minister, how high will the CPI go in 2000-01 if these costs are passed on as businesses like Coles Myer, Woolworths, AMP and the Commonwealth Bank say they will be? Will it be seven per cent, eight per cent or even higher?

Senator KEMP—The longer term effect of the ANTS package on the CPI will be considerably lower than the impact in 2000-01.

Senator Schacht—So all those firms are wrong, are they?

Senator KEMP—The question was: will it be higher? I am saying that it will be lower. I will repeat the longer term impact for you, Senator Schacht, because you are finding it hard to cotton on. The longer term impact of ANTS package on the CPI will be considerably less than the impact in 2000-01. This is because the further ANTS measures, which

will reduce the overall CPI impact of the package, will be introduced in 2001, 2002 and 2005. I hope that puts your beating heart to rest, Senator Schacht.

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

QUESTION TIME

The PRESIDENT (3.03 p.m.)—Order! Earlier in question time, the question of the order of questions amongst independent senators was raised. In addition, I have been reminded that last week—because of estimates committees—the Senate sat only on Monday and Tuesday. There was question time only on those two days, and Senator Harradine did not get a question last week.

ANSWERS TO QUESTIONS WITHOUT NOTICE

East Timor: Refugees

Senator VANSTONE (South Australia—Minister for Justice and Customs) (3.04 p.m.)—I wish to incorporate two answers in *Hansard*. They are both for Senator Bartlett. One is in relation to a question that he referred to in his supplementary question today, and one is from last week.

Leave granted.

The answers read as follows—

CONFIDENTIAL

Possible parliamentary question 3.41

East Timorese—Refusal to move to East Hills

Possible Question:

How does the Minister respond to the refusal of East Timorese evacuees to move from the safe haven in Leeuwin to East Hills?

Suggested Response:

I can confirm that a number of East Timorese in the Leeuwin safe haven in Western Australia refused—at the last moment—to get on a plane to take them to Sydney to join their fellow countrymen at East Hills.

I am concerned that they were encouraged by irresponsible elements in the local community, to boycott the flight. I see this as an unconscionable act.

The residents have known about the consolidation plans for some time.

On 26 November, East Timorese at the safe haven in Leeuwin were advised of arrangements to transfer—to East Hills—those families who did not return to East Timor.

However, 6 families at Leeuwin have members who are not well enough to fly interstate at this time. These families were to stay at Leeuwin until they were fit to travel.

A few hours before the charter flight scheduled for this morning, the evacuees advised safe haven staff that they refused to be separated as a group.

They had given no previous indication of concerns about these arrangements.

They insisted that unless those families with members unfit to fly were included in the flight the whole group would stay together at Leeuwin.

Safe haven staff explained that it was not possible for the whole group to fly together at that time because it would endanger the lives of those not medically cleared to travel.

Consequently, at a cost of \$30,000 to the taxpayer, the flight was cancelled.

Now that a substantial number of East Timorese have returned to East Timor, we need to consolidate those people remaining, in the East Hills safe haven.

Yesterday 213 of the Leeuwin residents voluntarily returned to East Timor.

Consolidated of Leeuwin with East Hills will lead to savings of almost \$1 million per month.

Maintaining Leeuwin safe haven with only one-third capacity for the 153 people who remain there is uneconomic and places an unfair burden on the Australian taxpayer.

Consolidation of evacuees in fewer havens reduces costs for security, catering, defence staff, DIMA staff, medical facilities and support services.

The safe haven at East Hills has capacity for over 1,000 people if necessary and has held up to 831 Kosovars.

My department has kept the residents of the safe havens informed about the availability of return flights and the plans to consolidate the safe havens.

I am very disappointed at the actions of members of the community.

Additional information for Senator Vanstone in response to a question from Senator Bartlett

The UNHCR no longer considers that there is a well founded fear of those who escaped from East Timor being persecuted if they return.

There are health and housing issues which need to be addressed in East Timor and these are being

addressed. Australia's aid package including an additional \$60M this financial year will contribute to this as will the work of the UNHCR and aid agencies operating in East Timor:

Australia's funding will be used to supply building materials and for health programs such as child immunisation, malaria prevention, and training of midwives.

Any evacuees living in safe havens in Australia who have serious health problems are not expected to return at this time. They and their immediate families can stay until they are fit to travel.

All those East Timorese who are returning from Australia are doing so voluntarily and they are asked to sign a form stating that this is the case:

The UNHCR has been verifying the voluntary nature of returns.

Goods and Services Tax: Charitable Organisations

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

That the Senate take note of the answer given by the Assistant Treasurer (Senator Kemp), to a question without notice asked by Senator Faulkner today, relating to the goods and services tax and charities.

Mr Howard as Prime Minister came to government as a self-proclaimed proponent and exponent of free speech in this country. Mr Howard said on 25 September 1996, when the Labor Party had been defeated, that 'the pall of censorship on certain issues had been lifted'. He said to the Queensland Liberal division in August the same year that he would not have 'excess intolerance of legitimate dissent and legitimate minority points of view'. The truth of Mr Howard in government is very different to those two statements. This government is simply a bunch of standover merchants when it comes to those who are in receipt of government grants. Speech is not free; it is shackled to funding. Intolerance of dissent is the guiding principle as far as this Howard government is concerned.

Look at the defunded organisations. There is the Australian Youth Policy Action Coalition, National Shelter, the Pensioners and Superannuants Federation and the Womens Electoral Lobby. There have been severe funding cutbacks to organisations like the ACF and the Wilderness Society. This

government even had a real go at the Girl Guides. All of those organisations, to a greater or lesser extent, had been critical of the Howard government. That is the common thread. It is a case of 'cash for comment' as far as this government is concerned. You get the money, and you give the government a positive spin, or else. If you do not promote the government, you do not get funded. That is how this government operates, and it stands condemned.

Of course, the most recent example of this is in the area of the government's GST Start-up Assistance Office and the contract that the government has for charities. Look at the words contained in this contract:

The Organisation—

Madam Deputy President, that is the charity—shall keep the Office—

that is, the GST Start-up Assistance Office—
informed in relation to all publicity activity to be conducted in connection with the Project.

That is the problem. There is also a demand that the GST Start-up Assistance Office have all media enquiries referred to them for 'an appropriate response'. That is the way the Howard government does business. What it means is this: charities are effectively gagged on problems that they may experience with the GST. If they are not willing to be gagged, they will not get funded. Funding is tied to support for the government. So, with this government, the rule is: either you do the government's bidding or you do not get government funding. That is the clear message. I suppose it is the reversal of the old bushranger's cry of 'stand and deliver'. It is now 'stand and we may deliver'. That is the problem. It is using government money to buy an organisation's, in this case a charity, silence, and that is not good enough for any government. This government stands condemned for this extraordinary performance in ensuring that there is no free speech, no freedom of thought and no capacity for charitable organisations in this country to properly represent the views of those who they have genuine interests in.

Senator KNOWLES (Western Australia) (3.09 p.m.)—Today has been probably one of

the most outrageous question times we have seen for some months, given the level of questions from the opposition today to the Assistant Treasurer, trying to whip up a storm that I have not really seen in full fury since the inquiry into the new tax system that was undertaken by the Senate Community Affairs References Committee. What we have seen today is just a rehashing of all the claims that were made then, disputed then and are clearly disputed in the content of the legislation. But that does not stop the opposition. They have come in here and simply expanded upon the fallacies they have tried to promote for years now.

It was just breathtaking to sit here and listen to Senator Faulkner's contribution a moment ago, when he even talked about Guides Australia and how hard done by they have been. Senator Faulkner obviously does not realise that the Labor Party actually gave nothing, not a cent, to Guides Australia when they were in government. But this government gave \$50,000 last year and \$25,000 this year for project money. Why on earth don't they tell the truth?—

Senator Cook—And taxed them; tell the truth!

The DEPUTY PRESIDENT—Order! Senator Cook!

Senator KNOWLES—I cannot understand why, Madam Deputy President. We have a situation where there has been an enormous amount of focus being placed upon the charities to make sure they are not worse off under the new tax system. The GST legislation already contains several concessional measures that are available to charities. They include things like a registration turnover threshold of \$100,000, GST-free status on non-commercial activities, GST-free status on supplies of donated second-hand goods, GST-free status on raffles and bingo games and the ability to claim input tax credits, which will lower their operating costs. But, no, the Labor Party want to retain all of those embedded taxes so that they keep the operating costs of charities high. And the ability to use the cash basis of accounting regardless of annual turnover—the Labor Party do not want that either.

So we have a situation today where the Labor Party, right through question time, advocated higher costs to run charities. They want more expensive motor vehicles. Let us face it: the Labor Party were the ones that continued to put sales tax up on motor vehicles. We are proposing to remove that sales tax and put a lower GST on motor vehicles. Plus, all the input taxes will go and all operating taxes will go—everything is rebated. But, no, the Labor Party just want to wind it all back and make sure that there is a higher tax level on motor vehicles. And the same, as I say, applies to charities.

There is also the line that is being pushed about corporate donations, for example, to charities: that charities are going to be worse off because corporations will have to pay a GST on donations to charities, or that the corporations will in fact remove or deduct the amount of GST they have to pay so that they still give the same amount. How dishonest can that line be? The fact of the matter is that a corporation that makes the donation is doing it, obviously, for gain, and the GST is fully rebatable. But, no, the Labor Party do not want to tell the people that. They do not want to make sure that they can actually come on board with a fair tax system and an honest tax system. No, they have come in here today and talked endlessly about increases in tax when they know the reverse is so.

But it just does not seem to matter, and unfortunately there is so much ill-informed journalism around on this matter, based on the nonsense that has been talked about by the Labor Party, that is faithfully reported without an understanding of how the new tax system is going to work. That is not informing the people of Australia honestly. I think, quite frankly, the media has a far greater responsibility to report accurately what is going to happen, not just simply report the Labor line in terms of making sure that everything is so distorted. This whole claim about the treatment of charities and motor vehicles and everything else is simply wrong.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.14 p.m.)—‘Report accurately what is going to happen’: those were the words of

Senator Knowles just a moment ago, and, coming from a Liberal senator, they are rich indeed. What the Liberal Party means by 'report accurately what is going to happen' is telling the people of Australia what the Liberal Party wants them to believe. If you are a business or, particularly in this case, if you are a charity and you need some government assistance to implement the GST with all of its new costs and processes, the government insists it will censor what you say to the community about the GST. Otherwise forget the idea of getting any support to change your business processes in order to be in compliance with the new tax system.

Charities in Australia are among the most altruistic of all organisations. They are run by individuals who have a high idealistic commitment and who make personal sacrifices in order to deliver the purposes of that charity. They run, in the jargon, 'on the smell of an oily rag'. No-one makes a profit out of delivering charity in this country; every red cent they get basically goes to the beneficiaries of that charity. Then this government rocks along and says, 'We'll impose a GST on this sector.' Which charities put their hands up and said, 'We would like to have a GST'? In the Senate inquiry which was conducted into the GST, not one single charity supported the concept of a GST. All of them said it would make their costs higher, which means that they would have to attract more donations to give the same amount of money as they did in the past to the beneficiaries of their charities.

All of the charities said it would take them away from their core business of aiding the poor or those Australians in need of special services. Their business is to deliver, but they will become collectors for the tax office instead. All of them said this at great length. Some of the charities retained, voluntarily, professors of economics and lawyers who were prepared to give their services to make sure their testimony was accurate and that the economic effects were properly set down. They are entitled to be heard in this debate, because if the government wants to cut welfare there will be more beneficiaries in the voluntary charity sector than there are now.

We have a government that says, 'We are going to impose a tax on you—a GST. This tax will mean complications in understanding how it works and complications in complying with it. We are going to provide some assistance'—inadequate assistance, I might say—to help you understand that tax, to educate your members in that tax, and to meet some paltry expenses in compliance costs. The net effect will be that you will be worse off, but we are giving this money so we can say we are aiding you when we know, at the end of the tally sheet, you are worse off.' And here is the rub: they say, 'In order to accept any government funds, we will censor what you say.'

Here is what the government insists charities have to comply with in order to receive any funds:

The Commonwealth has the right to require prior approval by the Office of the content of all advertising material or other material made available or produced for distribution . . .

That is, the government will censor what charities tell the Australian community, otherwise they will not get any government assistance. Further:

The Organisation shall favourably acknowledge the contribution of the Commonwealth to the Organisation in any correspondence, public announcement, advertising material . . .

Not only are charities to be censored but they are to sign up to an open-ended commitment to praise the government for taxing them higher. This is something worthy of a dictatorship in a Third World country. We know the charities of Australia oppose the GST; it is in the record of the Senate hearings. But they are to shut up, otherwise they do not get any public assistance to help them run their affairs more effectively.

This is an outrage, and any Australian who has any sympathy for the charitable sector and the work they do, at great sacrifice to themselves, should condemn this government for the actions it is now undertaking in order to impose a government censorship on what they can tell the community about their needs. If charities tell the truth, they will be penalised in terms of the assistance necessary to deliver their services. (*Time expired*)

Senator CHAPMAN (South Australia) (3.19 p.m.)—Yet again we find the Labor opposition bereft of any positive initiatives on their own behalf, and so they resort to the scaremongering that has become a feature of their contribution to debates in this place, particularly in this taking note of answers segment following question time.

With regard to the move to a GST—the much needed move, I might say—and the treatment of charities under the new tax system, it was made crystal clear in the government's original policy document that the non-commercial activities of charities would remain free of the GST but the commercial activities undertaken by any such bodies would be subject to a GST. That proposed distinction has not changed one iota since the tax policy was announced. Indeed, to ensure that that proposal was implemented fairly, after the last election the government established the Voss committee to look at the design of the GST, particularly the scope of non-commercial activities of charities that should be included within that GST-free provision.

The Voss committee recommended that a 50 per cent market value test definition for the non-commercial supply of goods should apply, and that recommendation of the Voss committee was incorporated in the legislation, along with the 50 per cent cost test. The commercial activities of charities need to be treated the same as the commercial activities of ordinary businesses. In other words, it is quite valid for the GST to be charged on the commercial activities of charities, because in that area they are competing with ordinary businesses, mostly small businesses. It is important that small business is not put at a disadvantage in relation to specifically identified commercial activities by competing with charities.

It is important that a distinction is drawn between the commercial activities of a charity and the non-commercial activities of a charity. The commercial activities, quite correctly and quite fairly, will be subject to a GST so that small businesses in the same field are not put at a disadvantage. The non-commercial

activities will certainly remain free of GST, as the government originally committed.

There are a number of other concessions that the government has made to charities. First, their registration turnover threshold is \$100,000 per annum compared with \$50,000 for ordinary businesses. We have already mentioned the GST-free status of non-commercial activities, but there will also be a GST-free status for suppliers of donated second-hand goods and a GST-free status for raffles and bingo activities. Charities will also retain the ability to claim input tax credits. That will lower the operating costs for charities. They will also have the ability to choose the cash basis of accounting, regardless of annual turnover—again, a significant concession made to charities that is not available to ordinary businesses.

Further assistance has been provided for charities in relation to the transition to the new tax system with the establishment of the GST charities consultative committee last August to provide information to the charitable sector on issues relating to the implementation of the goods and services tax and also to monitor the potential impact of the GST on sheltered workshops and neighbourhood centres and to develop rulings following identification of significant issues from the sector.

Senator Carr—They'll all praise you for that!

Senator CHAPMAN—And we hear the Labor Party interjecting again. We know very well that a feature of their 13 years in government was a complete absence of any consultation. They initiated policies and introduced them overnight without any consultation whatsoever with affected businesses or affected sections of the committee. That is a complete contrast to the way in which this government operates across a whole range of policy initiatives which we have taken where consultation is an important part of the implementation process. That has been applied in this situation. Since August, the consultative committee in relation to charities and the GST has met six times and has been able to provide a great deal of clarification and guidance on GST issues relating to the charitable

sector. There has also been flexible registration criteria initiated. So there are a number of positive initiatives for charities. (*Time expired*)

Senator CARR (Victoria) (3.24 p.m.)—We have just heard the government's defence; that is, if you are consulted about being destroyed, then you should feel happy about it. It ought to be pointed out yet again that charities happen to service the poorest, the most vulnerable and the weakest members of our community. And what does this government do? It attacks them for it. It seeks to impose upon them further disadvantages and further abuses in such a way as to obscure the truth from the Australian people as to the government's real intentions. It tries to tell small business, 'We're trying to help you out. We are trying to prevent unfair competition from charities.' We have an old expression in this country that there is nothing quite as cold as charity, but from this government we have, quite clearly, blizzards being imposed upon this industry.

The government says, 'We are going to withdraw support from the people in our community who are most disadvantaged. We are going to cut back on the level of support that is provided through our education system, through our housing system and through our social security system and we are also going to disadvantage those organisations which we call upon to fill the gap being left by our neglect.' What needs to be asked about these particular guidelines which impose upon charities in return for receipt of moneys from the government an obligation that they will report favourably upon the Commonwealth government is: why is the Australian Taxation Office getting involved in this sort of behaviour? What sort of role is it that the Taxation Office is now filling under this government? Why is the Taxation Office becoming the policeman for this government in regard to its propaganda efforts? Why is the Taxation Office now allowing itself to be used as a mouthpiece for the government in regard to a high controversial policy position which seeks to seriously disadvantage organisations in this country that are seeking to help Aus-

tralians who are so disadvantaged to begin with?

Quite clearly, this is an outrageous policy. That is an expression that is often used in this parliament, but I do not believe there could be any other description for a policy that asserts:

The organisation shall favourably acknowledge the contribution of the Commonwealth to the organisation in any correspondence, public announcement, advertising material . . .

Organisations are required to enter into a contract with this government to praise this government in return for the miserable amounts of money that are being paid to them to compensate for what was government policy to begin with. We have heard this Prime Minister talk at length about the need for more philanthropy in this country, but what we see from this government is a policy which actually seeks to discourage people from philanthropy.

This government is seeking to disadvantage people who are trying to help. There is, quite clearly, a pattern emerging—a cynical authoritarian obsession with thought control. There is an unmistakable pattern emerging whereby those critics who seek to question or challenge this government are asked to go without. In February this year the universities were told that they would get money only if they agreed to support the government on voluntary student unionism. In August this year various welfare groups were told that they were no longer to receive government support because they had not done enough to support the government. We saw the Australian Youth Policy and Action Coalition in September of this year lose money as a result of what the government thought were its critical attitudes. We have seen women's groups—for instance, the National Council for Single Mothers and their Children—lose money. Green groups have lost money as a result of what the government perceives to be their critical actions. We have seen Aboriginal groups, housing groups, pensioners and even the Girl Guides lose money.

This government has an obsession with making sure that, if you receive money from the government—your rightful entitlement for generations in this country—your funding

basis will be threatened unless you praise this government. We have noticed a pattern emerging where the government seeks to impose an authoritarian view about the nature of public debate in this country. As far as this government is concerned, if you are in receipt of public funds you are under an obligation to praise the government. This is a totalitarian attitude. It is an attitude that ought be condemned by all parties in this Senate. I trust that the Prime Minister's so-called new coalition of practical and tangible benefits is understood to be what it is, and that it is understood that this government is heavily influenced by such an ideology. (*Time expired*)

Question resolved in the affirmative.

East Timor: Refugees

Senator BARTLETT (Queensland) (3.29 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Justice and Customs (Senator Vanstone), to a question without notice asked by Senator Bartlett today, relating to East Timorese refugees.

East Timorese safe haven visa holders have been in the news recently, particularly some of those from the Leeuwin base in Perth. The issue from the Democrats' point of view highlights one of the major dangers with the safe haven visa. The legislation implementing safe haven visas passed through this chamber at very short notice earlier this year in response to the government's approach to how to deal with the humanitarian crisis in Kosovo. That was done at short notice and some of the potential problems with it were highlighted at the time by the Democrats and others. This situation with the East Timorese brings to the fore exactly what the problems are with the safe haven visas. They are purely temporary, but more importantly they are completely and utterly at the discretion of the minister as to whether or not people can have their visa extended.

People who have a safe haven visa are not able to apply for any other form of visa while they are here. They are not able to apply for a refugee or protection visa or a family reunion visa. They have to leave the country before they can apply for anything, unless the

minister lifts the bar and exercises his discretion.

In question time, we had Senator Vanstone saying that we should trust the minister, that he is a humanitarian type of guy, and that if people have any real concerns or genuine reasons, to use the minister's terminology, then Minister Ruddock will look at it. That is all very good. The problem is that under the safe haven visa legislation the minister is not even required to look at it, let alone to agree to it. There is no way of compelling him to even bother opening the mail and reading people's requests to be able to stay longer. There is certainly no way of being able to appeal against his decision, if he makes one, not to grant that. As we learnt at estimates last week, indeed there are no guidelines in place for the minister to use or to measure any requests against. So we have a situation where there are no guidelines, no criteria and no way of forcing the minister to examine a request for someone to be able to stay longer.

It is quite obvious to all Australians that the circumstances and the situation in Dili are not ideal and that people should have some opportunity to decide for themselves when they wish to return. We are just moving into the monsoon season. The shelter in many parts of the country and in Dili is clearly inadequate. People are being given a bag of rice to go back with. Many of those people would have no means for cooking the rice when they get home. It is clearly a ridiculous situation. I am baffled as to why the government is so keen and is going to such lengths to force people out. I think it is particularly inappropriate and disingenuous for the government to continue to insist that all returns are voluntary. We had that in question time and in estimates last week.

The department is emphasising that all returns are voluntarily. They even get to sign a form saying, 'I am voluntarily leaving.' All you have to do is look at the television. Written and verbal statements have been issued by many of the East Timorese saying that they do not want to go back yet, that they would prefer to stay here. The government insists on trying to say that somehow or other nonetheless they are returning voluntarily. The fact is

that the decision as to whether or not people can stay or have to go lies not with the refugees themselves but solely with Minister Ruddock. Whilst we can all hope that he acts in a humanitarian way, the fact is that he and his agents through the government and the department are going to great lengths to encourage people to leave, running them up against a deadline of their visa which expires, I think, in two days time, with no surety that they would be able to stay, that any extension would be granted.

There is no way that any reasonable people could suggest that that was voluntary and, more importantly, no way that any reasonable person could suggest that such an approach is a humane one for people to whom we, as Australians, still owe a great debt. We all know the East Timorese people have endured an enormous amount of suffering. To enable them to stay in Australia at least until the monsoon season is over seems like the least we could do to further assist those who wish to stay in Australia. (*Time expired*)

The DEPUTY PRESIDENT—Order! The time for the debate has expired.

Question resolved in the affirmative.

NOTICES

Presentation

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

That the Senate—

- (a) extends its condolences to the families of the victims killed in the Glenbrook train disaster on 2 December 1999;
- (b) notes the highly competent response to the accident of emergency services in New South Wales, and the manner in which passengers of the trains were consoled and attended to at the accident site; and
- (c) acknowledges that the New South Wales Government acted quickly in establishing an independent judicial inquiry to investigate the cause of the accident.

Senator McKIERNAN (Western Australia) (3.36 p.m.)—I give notice that, on the next day of sitting, I shall move:

That the time for the presentation of the report of the Legal and Constitutional References Com-

mittee on the operation of Australia's refugee and humanitarian program be extended to 29 June 2000.

I seek leave to incorporate in *Hansard* a brief statement in relation to the notice that I have just given.

Leave granted.

The document read as follows—

Referral of the Inquiry

On 13 May 1999 the Senate referred to the Legal and Constitutional References Committee an inquiry into the operation of Australia's Refugee and Humanitarian Program. The inquiry was to report by 18 October 1999. On 30 September 1999 the Committee sought and received an extension of time to report to the first sitting day of the second sitting week, 2000.

The Committee now seeks an extension of time to report to 29 June 2000.

Reason for Request for Extension of Time to Report

The Senate and the Australian community are entitled to an explanation as to why the Committee seeks a further extension of time.

Delays Caused by Ministerial Decisions

The Committee's work was interrupted by the decision of both the Minister for Immigration and Multicultural Affairs and the Minister for Foreign Affairs that their officers would not provide information to the Committee. The information related to the case of the person known as the Chinese woman. The grounds stated by Minister Ruddock for refusing such information were that:

- a separate inquiry had been established, and it was expected that this would be a thorough and detailed investigation; and
- the person undertaking the inquiry should not feel under any pressure to complete the task;

The Committee was concerned that the explanation seeks to avoid the obligation of departments to provide information on the basis that a Ministerial inquiry will have precedence. However there is no basis for such an approach, and it was noted that the absence of a reporting date for Mr Ayers' inquiry did not suggest that information would be available to the Committee in a reasonable time. The Minister for Foreign Affairs, who, we believe, had even less reason for seeking to interfere in a Senate inquiry, used a similar argument. The terms of Mr Ayers inquiry related primarily to actions of the Department of Immigration and Multicultural Affairs and its officers. This approach resulted in delay to the work of the Committee, with considerable time spent in discussions and correspondence. The Committee, after lengthy deliberation, took the decision to exercise its powers and ordered both

departments to appear before it. The Minister's reversed their decisions and officers of the departments appeared voluntarily at later hearings and the Committee was then provided with a substantial amount of information, including documents. The Committee is pleased at this outcome which avoided the need for referring the matter to the Senate and possibly to the Privileges Committee.

Confidential documents

A further burden to the Committee's work has been caused in part by the production of a substantial amount of material which departments have requested remain confidential. Such requests relate to personal and other information about the Chinese woman, and about Mr SE; to extensive correspondence including cables and other documents from departments; and to several other items including contracts between DIMA and a series of service providers in the Information Advice and Application Scheme (IAAAS).

On several occasions I have, on behalf of the Committee, sought advice from both departments about the status of this information. While I accept that material relating to a person's application for protection in Australia and to their medical status should generally remain confidential—primarily on the grounds of privacy—there seems little benefit in placing much other information in a similar category.

At this time, although DFAT has provided an extensive list of documents that may be published, DIMA has cleared a limited number for publication. It has also not provided documents relating to contractual arrangements for services on the basis that these will only be provided if they are not published. It is necessary for departments to realise that, regardless of the decisions of Committee members, the Senate retains the power to order the publication of material; hence, it is not possible for the Committee itself to make any definitive order of the type requested by DIMA.

The claim of commercial in confidence is increasingly common in respect of material that is sought by Parliament. At this stage, the Committee has not pursued this issue. However, I note the matter as a reason for delays experienced in obtaining information to address the terms of reference of our inquiry.

The Committee notes that claims of confidentiality can often disrupt hearings and make it difficult to obtain information essential to an inquiry. While there will be many documents that should not be published for good reasons—and this Committee accepts appropriate limitations—broad requests can hinder effective questioning and investigation.

New legislation

A second reason for seeking an extension is the emergence of important new legislation governing

the legal framework for people seeking protection in Australia. On 23 November 1999, the government introduced into the Senate the *Border Protection Bill 1999*, which was passed two days later with bipartisan support.

Among other things the new law introduced:

- . temporary visas for unauthorised arrivals found to be refugees;
- . prevented access to Australia's refugee determination system for those with alternative protection avenues;
- . and increased the powers to accurately identify asylum seekers.

The committee considered it important to devote time to evaluating the practical and policy implications of these new laws, and considerable time in public hearings was spent exploring these issues with departmental officials.

Need for Additional Hearings

A further reason the Committee seeks an extension is the need for additional hearings and other briefings.

Between 5 July and 29 November 1999 the Committee held 15 public hearings and 9 in camera hearings. It plans another hearing tomorrow (7 December). Next week, the committee will be discussing issues with officers from the Attorney-General's department, and the committee expects to hold a further hearing in Western Australia early in 2000.

The Committee needs additional time in which to consider this evidence.

Other Factors

First report

The Committee had planned to present a first report to the Senate before the end of this current sitting session. A considerable amount of the work has been done in the preparation of chapters relating to some of the Inquiry's terms of reference. However, during deliberation on these drafts, the Committee found that it was difficult to separate and compartmentalise each term of reference. Reluctantly, the Committee decided to abandon the idea of reporting separately on some terms of reference in order that the report should be complete and comprehensive when it is tendered to the Senate.

Issues not within terms of reference

I should also note that a further difficulty which the Committee has experienced has been the belief that the inquiry concerns a range of issues relating to immigration detention centres, such as treatment of detainees and the legality of detention itself. Members have sought to explain to individuals and organisations that there is no specific term of reference that examines the issue of detention centres, but this has not always been accepted.

Other concerns—about removal from Australia, about the conduct of a case before the RRT—have also been expressed. The Committee has advised that it is not in a position to investigate individual cases, with the exception of the two referred in the terms of reference. Again, this has not always been understood or accepted by members of the community.

These matters have also added significantly to the Committee's work, requiring both discussion and correspondence.

Allegations of intimidation/assault of witnesses

The Committee has also received reports during the course of the inquiry about assault and intimidation of witnesses and of other persons. The Committee took action on these matters for two reasons. Firstly, allegations of assault against detainees who themselves may have limited access to other sources of assistance, must necessarily be reported to the appropriate authorities in the same way as any such allegation would be reported by a citizen.

Secondly, the Committee emphasises that intimidation or assault of a witness in respect of evidence given or believed to have been given to the Committee is prohibited under the Parliamentary Privileges Act 1987, the principles of which are set out in the Standing and Other Orders of the Senate.

The Committee has been obliged to consider matters in both categories. This has further delayed its consideration of evidence, but it believes that such action is essential in order to maintain the rights of witnesses and of Committees of the Parliament.

For the above reasons, I would ask that the Senate agree to the request for an extension of time to report.

Withdrawal

Senator CALVERT (Tasmania) (3.36 p.m.)—On behalf of Senator Coonan, on behalf of the Standing Committee on Regulations and Ordinances, I give notice that at the giving of notices on the next day of sitting I shall withdraw business of the Senate notice of motion No. 2 standing in the name of Senator Coonan for seven sitting days after today for the disallowance of Customs (Prohibited Imports) Amendment Regulations 1999 (No. 3), as contained in Statutory Rules 1999 No. 202 and made under the Customs Act 1901. I seek leave to incorporate in *Hansard* the committee's correspondence concerning the regulations.

Leave granted.

The correspondence read as follows—

Customs (Prohibited Imports) Amendment Regulations 1999 (No.3)

Statutory Rules 1999 No.202

14 October 1999

Senator the Hon Amanda Vanstone
Minister for Justice and Customs
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to the Customs (Prohibited Imports) Amendment Regulations 1999 (No.3), Statutory Rules 1999 No.202 which introduce controls on the importation of the substance Erythropoietin.

The effect of new subregulation 5G(3) is that not only competitors in sports (within the meaning of the *Australian Sports Drug Agency Act 1990*) but also anyone who comes to Australia as part of a competitor's entourage must obtain written permission from a Customs officer to import Erythropoietin (EPO). This requirement appears to apply even though the person is bringing in no more than has been prescribed for him or her by a medical practitioner. The Explanatory Statement points out that EPO has been banned in sport, and it might therefore be not unreasonable to require a competitor in sport to realise that permission might be needed to bring even a medically necessary amount of this drug into Australia. However, the Committee considers it might be regarded as unreasonable to expect a similar level of knowledge about EPO of any person who has come to Australia for purposes relating to a competitor's interests.

The Committee would be grateful for your advice on this matter.

Yours sincerely

Helen Coonan

Chair

24 November 1999

Senator Helen Coonan

Chair

Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator Coonan,

Thank you for your letter of 14 October 1999 and for conveying concerns of the Senate Standing Committee on Regulations and Ordinances about the Customs (Prohibited Imports) Regulation on Erythropoietin (EPO).

The intent of the Regulation is twofold. Firstly, it is to enable legitimate users of EPO to retain their medication on arrival to Australia. The role of Customs staff in enforcing the restriction involves satisfying themselves that any arriving international

traveller with EPO has a legitimate authority to possess it. This concession is designed as a "last minute" safeguard for those in need of the medication but who might not reasonably be expected to know of Australian requirements for the importation of EPO. The simple act of showing a routine prescription from a registered medical practitioner satisfies that test, for all travellers except the group mentioned below.

Secondly, the Regulation quite deliberately ensures that a competitor or those very closely associated with them may only import EPO on their arrival to Australia with the express permission of the Australian Therapeutic Goods Administration (TGA). That is, any athlete or their associates who have a genuine requirement for EPO is not denied access to and can readily obtain a Permit from TGA.

This latter mechanism was designed specifically to maintain the integrity of the Regulation, and only after exhaustive consultation with TGA, the Australian Sports Drug Agency (ASDA) and the Australian Sports Commission (ASC). Besides ensuring bona fide cases can import EPO, the Regulation will ensure that in Australia the appropriate sports agencies know that any competing athlete or someone associated with them, has access to EPO. It would then be up to the sports agencies to address any concerns they have in terms of doping risk or contraventions of doping policies.

The mechanism covers wider than simply the competitor because it is expected that persons such as the athlete's coach, or manager or doctor are as knowledgeable about doping in sport as the athlete. In particular that they are aware of the growing international concern about EPO being used as a banned substance because of its performance enhancing properties. Having recently chaired a two and half day International Drugs in Sport Summit, I can assure you that this is far from being an unreasonable expectation. The whole sporting community is acutely aware of the need for regulation of these matters. Knowledge is not limited to athletes.

Any athlete or those associated with them who do seek permission from TGA should have informed their own national sports administration of their legitimate medical need for EPO, thus adding a further level of accountability and transparency to the process. The Regulation therefore covers more than just the athlete to avoid a loophole that would allow the coach or manager to carry the EPO instead. Room for such an allegation would make a mockery of the Government's intention to restrict the importation of EPO for performance enhancement purposes in sport.

Any athlete, coach or manager carrying medication (including EPO) without permission is an indicator of a likely improper use of the substance, which can then be investigated. This is little different

from other performance enhancing substances which currently require written permission from TGA for anyone to import them into Australia.

As I mentioned earlier, this Regulation was prepared in close consultation with ASDA and ASC. The doping in sport controversy, particularly leading up to the Olympics, cannot be ignored and Customs sought advice from sports as well as health experts. This Regulation is not onerous for anyone closely involved with elite and/or international sport. EPO is not a drug of normal use or availability. I am advised anyone in legitimate need of EPO is seriously ill. The Regulation provides a simple framework for those in need to easily and readily comply with a minimum of fuss or worry whilst not providing access to EPO by sports cheats.

I trust this assists the Committee in its deliberations.

Should the Committee require further elaboration of the reasons for these Regulations I would be very happy to appear before the Committee with Customs officials to answer any questions that the Committee may have.

Yours sincerely

(signed)

AMANDA VANSTONE

25 November 1999

Senator the Hon Amanda Vanstone
Minister for Justice and Customs
Parliament House
CANBERRA ACT 2600

Dear Minister

At its meeting today, the Committee noted your reply of 24 November 1999 on the Customs (Prohibited Imports) Amendment Regulations 1999 (No.3), Statutory Rules 1999 No.202 and welcomed the information provided on its concerns.

The Committee has continuing concerns with aspects of the instrument, including the following;

The appropriateness of drawing a distinction between legitimate users and competitors or those very closely associated with them;

The meaning of 'a person who has come to Australia for purposes relating to the performance of a competitor or the management of a competitor or a competitor's interests';

Processes associated with obtaining permission to import EPO; and

Clarification of an 'authorised officer' and in particular who issues a permission to import.

The Committee therefore wishes to accept your invitation to meet with it and if you agree with this

proposal, the Committee Secretary, Mr Neil Bessell (62773066) will liaise with your staff to arrange a suitable time for this meeting.

Yours sincerely

Helen Coonan

Chair

30 November 1999
 Senator the Hon Amanda Vanstone
 Minister for Justice and Customs
 Parliament House
 CANBERRA ACT 2600

Dear Minister

Customs (Prohibited Imports) Amendment Regulations 1999 (No. 3)

Statutory Rules 1999 No. 202

On behalf of the Senate Regulations and Ordinances Committee may I thank you for facilitating the briefing of the Committee by officers of Customs and the Therapeutic Goods Authority (TGA).

At this briefing, the officers advised that the essence of this control is to minimise inconvenience or concern for those with a legitimate need to use Erythropoietin (EPO) while meeting other policy imperatives in relation to drugs in sport.

The Committee noted that EPO is used to treat anaemia, renal failure and AIDS and is only used in conjunction with a suite of other medications by persons who are visibly unwell.

The officers advised that under the Rules:

the regulations effectively prohibit the importation of EPO;

as in the case of all Schedule 4 drugs and antibiotics, this prohibition does not apply if the importer, including a competitor, has a permit from TGA and shows it at an entry point to Australia;

the prohibition does not apply if an international passenger imports EPO and can produce evidence that the EPO was prescribed by a doctor and the quantity is not commercial. This concession does not apply to a competitor or someone closely associated with a competitor;

Customs will provide details of any seizures to the Australian Sports Commission and the Australian Sports Drugs Agency upon proclamation of amendments to section 16 of the Customs Administration Act; and

restricting the Rules to athletes alone would ignore the reality of professional sport where coaches, managers and others are a significant part of an athlete's performance.

The officers emphasised that the Rules have two aims. First, they establish a mechanism where those

with a legitimate need to use EPO can satisfy Customs. Secondly, the Rules meet government and community expectations about drug free sport and a clean Olympic Games.

The Committee noted that Customs and sports agencies have initiated extensive campaigns to educate passengers and particularly visitors to the Olympics about Australia's requirements in terms of importing drugs. These campaigns have extended to all national Olympics committees.

I thank the officers for their co-operation and assistance. The Committee's concerns on the instrument have been answered and I will withdraw the notice of motion to disallow at the earliest opportunity.

Yours sincerely

Helen Coonan

Chair

Presentation

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

That the time for the presentation of the report of the Select Committee on the Socio-Economic Consequences of the National Competition Policy be extended to 17 February 2000.

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

That the following government business orders of the day may be taken together for their remaining stages:

Textile, Clothing and Footwear Strategic Investment Program Bill 1999

Customs Tariff Amendment Bill (No. 1) 1999.

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

That the Senate not meet on Monday, 14 February 2000.

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

That the time for the presentation of the report of the Foreign Affairs, Defence and Trade References Committee on Australia in relation to Asia Pacific Economic Cooperation be extended to 18 February 2000.

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

That the Senate—

- (a) congratulates the Howard Government for unveiling the Foundation for Rural and Regional Development, a philanthropic foundation, during the Regional Australia Summit, which took place at Parliament

House from 27 October 1999 to 29 October 1999;

- (b) commends the Government for providing funding of \$10.7 million in the 1999-2000 financial year towards the establishment of the foundation, which will provide a welcome boost to the social and economic future of Australia's rural, regional and remote communities;
- (c) expresses its gratitude to the Sidney Myer Fund for contributing \$1 million to assist in further developing the foundation's concept and organisational structure; and
- (d) notes that:
 - (i) the foundation will provide a capacity building program and an information and training program, as well as grants for rural development projects, and
 - (ii) the corporate sector has been encouraged to participate and a goal has been set to build the foundation's collateral to \$100 million.

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

That the Senate—

- (a) notes the 'Mexican stand-off' between the Queensland Premier (Mr Beattie) and the Commonwealth Minister for the Environment and Heritage (Senator Hill) which is preventing the implementation of effective controls on disastrous native vegetation clearing and burning in Queensland; and
- (b) calls on both parties to enter into negotiations immediately, based on a firm proposal from Queensland setting out the funding required to enable clearing controls to be legislated before the State Parliament rises for Christmas.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.38 p.m.)—I give notice that, on the next day of sitting, I shall 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:

Customs Legislation Amendment (Criminal Sanctions and Other Measures) Bill 1999

National Crime Authority Amendment Bill 1999

Appropriation (East Timor) Bill 1999-2000

Farm Household Support Amendment Bill 1999

I also table statements of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statements incorporated in *Hansard*.

Leave granted.

The statements read as follows—

CUSTOMS LEGISLATION AMENDMENT (CRIMINAL SANCTIONS AND OTHER MEASURES) BILL 1999

This Bill will implement the Government's decision to increase penalties and introduce new penalties for offences under the Customs Act relating to the importation and export of prohibited goods including weapons, performance enhancing drugs (such as steroids) and some other non-narcotic drugs, child pornography and other objectionable and dangerous goods.

The Government has adopted a tough approach in relation to law enforcement, as evidenced by the National Firearms Agreement, Tough on Drugs in Sport and recently enacted legislation designed to limit the availability of child pornography on the internet. This bill reinforces the Government's strong commitment to community protection and in providing adequate deterrents to criminal activity. Laws which protect the integrity of Australia's border should provide a strong disincentive to the unauthorised importation of weapons and other dangerous goods. Increases in penalties—which have not been amended since 1982—need to be introduced in time to deter any additional threats arising from the Sydney 2000 Games

Maximum penalties for existing Customs offences, which will remain civil offences, will be doubled from \$50,000 to \$100,000. These will continue to apply to less serious conduct. More serious conduct such as the importation of prescribed quantities of performance enhancing and other non-narcotic drugs will attract a maximum penalty of 5 years imprisonment/\$100,000 fine. A new offence with a maximum penalty of 10 years imprisonment/\$250,000 will be introduced for the most serious conduct such as the importation of prohibited weapons and child pornography. Commensurate increases will be made to narcotic penalty levels, in line with the Government's Tough on Drugs strategy.

Early passage is necessary to ensure that increased penalties are in place before the Olympics, and specifically to enable Customs officers address and deter the potential for stockpiling and trafficking prior to the Olympics of performance enhancing substances and other prohibited imports.

In the context of Customs' current search powers and the approaching Olympics, the Customs Act and related legislation need amendment to:

- . clarify Customs' power to open and search all mail articles; and
- . enable the use of appropriate technology for personal searches.

The proposed amendment to the Customs Administration Act needs to be in place before the end of the present financial year when an appointment must be made.

(Circulated by authority of the Minister for Justice and Customs)

NATIONAL CRIME AUTHORITY AMENDMENT BILL 1999

Section 55A of the National Crime Authority Act provides that states' laws can confer powers, functions and duties on the National Crime Authority (NCA). The section has been relied upon, by states and the NCA, as the basis for including the NCA in state legislation for a range of investigative activities, including controlled operations and use of listening devices and assumed identities.

Section 55A needs to be amended to make clear that the power to confer state powers extends to matters beyond those contained in the National Crime Authority Act, and includes matters related to investigative functions connected with relevant criminal activities investigated by the NCA.

The Bill is urgent in order to ensure the validity of NCA activities which utilise the state investigative powers legislation. The Bill will be retrospective to clarify that previous conferrals of power by the states are valid.

(Circulated by authority of the Minister for Justice and Customs)

APPROPRIATION (EAST TIMOR) BILL 1999-2000

The Appropriation (East Timor) Bill will provide legislative authority for expenditure in 1999-2000 by the Department of Defence and the Australian Agency for International Development (AusAID) in respect of operations in the East Timor region.

It is necessary that the Agencies have timely access to the funding to allow operations in fulfilling the Government's commitment to the East Timor region to proceed uninhibited. For this reason, introduction and passage of the Bill in the Spring 1999 sittings is being sought.

(Circulated by the authority of the Minister of Finance and Administration)

FARM HOUSEHOLD SUPPORT AMENDMENT BILL 1999

Purpose

The purpose of the Farm Household Support Amendment Bill is to extend the application deadline for re-establishment support under the Farm Household Support Scheme (FFRS) by 7 months beyond the current closing date of 30 November 1999 to 30 June 2000.

Reasons for Urgency

There is increasing pressure on farmers in a number of regions and industries for further adjustment. As some elements of the Agriculture—Advancing Australia (AAA) package expire, such as the FFRS exit grants, the Government is considering policy options to best address on-going adjustment issues. However, in the interim period no alternative support program would be available for those farmers, such as wool producers, currently under pressure to adjust out of the sector.

(Circulated by authority of the Minister for Agriculture, Fisheries and Forestry)

Senator O'BRIEN (Tasmania) (3.38 p.m.)—On behalf of Senator Denman, I give notice that, on Wednesday, 8 December, she will move:

That the Senate resolution of 26 August 1997 relating to the declaration of gifts intended for the Senate be modified as follows:

Omit paragraph (1)(b), substitute:

- (b) A gift is to be taken as intended to be a gift to the Senate or the Parliament where:
 - (i) the donor expressly states that the gift is to the Senate or to the Parliament; or
 - (ii) the identity of the donor, the nature of the occasion, or the intrinsic significance or value of the gift is such that it is reasonable to assume that the gift was intended for the Senate or the Parliament.
- (ba) In the absence of express intent, it will not be assumed that a gift was intended for the Senate or the Parliament where the gift has a value below the following thresholds:
 - (i) \$500 when given by an official government source; or
 - (ii) \$200 when given by a private person or non-government body on any occasion when the senator is present in his or her capacity as a senator, Senate office-holder or delegation leader or member.
- (bb) In the absence of express intent, it will not be assumed that a gift was intended for the Senate or the Parliament merely

because the gift has a value above those thresholds.

On behalf of Senator Denman, I seek leave to incorporate in *Hansard* an explanation of the notice of motion I have given on her behalf.

Leave granted.

The explanation read as follows—

The Senate resolution of 26 August 1997 requires senators to declare gifts received by them but intended for the Senate or the Parliament as an institution.

A gift is intended for the institution if the donor expressly said so, the whole nature of the occasion and the gift makes it reasonable to assume so, or the gift is worth more than \$200 or \$500 depending on the private or public nature of the donor.

The last test has the consequence of transforming every gift worth more than \$200 or \$500 into a gift to the Senate.

Under the Senators' Interests resolution, such gifts must be declared in the Register of Senators' Interests. It is, however, unintended, impractical and unnecessary that they automatically become institutional gifts merely because of their value, and regardless of the donor's intent or circumstances.

At its meeting on 30 November 1999, the Committee of Senators' Interests agreed to recommend that the Senate modify the gifts resolution. The effect would be that, in the absence of express intent from the donor, or other compelling circumstances, it would not be assumed that the value of a gift alone would automatically make it a gift to the Senate.

The proposed modification would also ensure that a gift below the \$200 or \$500 thresholds would be assumed not to be an institutional gift unless the donor clearly expressed such an intent.

The proposed modification does not in any way dilute the declaration obligations in relation to senators' interests.

The Committee recommends that the Senate make the proposed change to the gifts resolution.

EQUAL OPPORTUNITY FOR WOMEN IN THE WORKPLACE LEGISLATION

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.39 p.m.)—On 30 November, during consideration in committee of the Equal Opportunity for Women in the Workplace Amendment Bill 1999, I made an undertaking to Senator Harradine to place on the parliamentary record some information in response to a question he had asked. The

Minister for Employment, Workplace Relations and Small Business has now provided a response to Senator Harradine's question. I seek leave to incorporate the document in *Hansard*.

Leave granted.

The document read as follows—

Equal Opportunity for Women in the Workplace Amendment Bill 1999—International Labour Organisation Revision of Maternity Protection Convention

During debate on the Equal Opportunity for women in the Workplace Amendment Bill 1999, on 30 November 1999, Senator Harradine asked Senator Ian Campbell whether, in the context of discussion at the International Labour Conference in 1999 (and the preparatory questionnaire circulated by the International Labour Office), the Australian Government had indicated it was not supportive of lactation breaks.

Senator Ian Campbell indicated that Senator Harradine's question would be answered in the Senate at a later time.

The Minister for Employment, Workplace Relations and Small Business, the Hon Peter Reith MP, has provided the following answer to Senator Harradine's question.

The business of the International Labour Conference in 1999 included a first discussion on a revision of Convention 103, Maternity Protection (Revised), 1952 and its associated Recommendation. The position Australia is developing in respect of this revision is to support a more flexible non-prescriptive instrument, based on appropriate minimum international standards, which is capable of widespread ratification among member States. The prescriptive nature of Convention 103 has been a prime factor in the low level of ratifications for that Convention.

The International Labour Office questionnaire circulated in preparation for the first discussion sought member's views on a range of matters, including "nursing breaks".

The Australian Government's answer was to support in principle provision for nursing breaks, but the response also indicated that such agreement was conditional on the wording developed.

The 1999 Conference inserted the following conclusion in the draft convention:

13. (1) A woman should be entitled to daily break(s) to nurse her child, which should be counted as working time and remunerated accordingly.

(2) The frequency and length of nursing breaks, pursuant to national law and practice, should be

adapted to particular needs on the presentation of a medical certificate or other appropriate certification as determined by national law and practice.

Currently Australia is consulting widely on how to respond to the draft Convention developed at the 1999 Conference, including in respect of the proposed clause dealing with nursing breaks.

COMMITTEES

Legal and Constitutional Affairs Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Legal and Constitutional Legislation Committee on the provisions of the Australian Federal Police Legislation Amendment Bill 1999 be extended to 8 December 1999.

NOTICES

Postponement

Items of business were postponed as follows:

Business of the Senate notice of motion no. 1 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to the reference of matters to the Finance and Public Administration References Committee, postponed till 15 February 2000.

Business of the Senate notice of motion no. 2 standing in the name of Senator Allison for today, relating to the reference of matters to the Environment, Communications, Information Technology and the Arts References Committee, postponed till 7 December 1999.

General business notice of motion no. 389 standing in the name of Senator Stott Despoja for today, relating to the United Nations Convention on the Rights of the Child, postponed till 7 December 1999.

COMMITTEES

Legal and Constitutional References Committee

Meeting

Motion (by **Senator McKiernan**) agreed to:

That the Legal and Constitutional References Committee be authorised to hold a public meeting during the sitting of the Senate on 7 December 1999, from 3.30 pm, to take evidence for the

committee's inquiry into the operation of Australia's refugee and humanitarian program.

PARLIAMENTARY ZONE

Motion (by **Senator Ian Campbell**) agreed to:

That, in accordance with section 5 of the *Parliament Act 1974*, the Senate approves the following proposals by the National Capital Authority:

- (a) upgrading the East Block and West Block car parks;
- (b) installation of banner poles at the National Archives of Australia;
- (c) landscaping works to the John Gorton Building; and
- (d) refurbishment of the Treasury Building.

PARLIAMENTARY ZONE

Motion (by **Senator Ian Campbell**) proposed:

That, in accordance with section 5 of the *Parliament Act 1974*, the Senate approves the proposal by the National Capital Authority for the erection of temporary structures associated with the running of the 'National Capital 100' V8 Supercar race proposed by the Canberra Tourism and Events Corporation, to be held in June 2000.

Senator LUNDY (Australian Capital Territory) (3.42 p.m.)—by leave—This motion has attracted the attention of many in the Canberra community. It is an issue that relates to planning and the arrangements around how we plan for events and developments in the Australian Capital Territory. Planning has a long history, and a very proud and contentious one in many respects, in the ACT. Particularly since the advent of self-government, the management of planning in Canberra has been subject to an ongoing debate. The establishment of the territory planning organisation and the retention of the National Capital Planning Authority, now the National Capital Authority, was designed to ensure that the preservation of Canberra's attributes as the national capital were acknowledged by the federal parliament and a mechanism retained to ensure that our both our status and, I suppose, our reputation and the aesthetics of this wonderful place were reflected via that National Capital Authority.

The motion moved here today relates to the works approval for plans to host a V8 Supercar race here on what is termed desig-

nated land in the vicinity of Parliament House. I would like to make some comments on the basis that the issue is of concern to many in the Canberra community. As such, I believe it is my responsibility to place on the record the processes that involved the Parliamentary Joint Standing Committee on the National Capital and External Territories, a committee of which I, amongst others, am a member. I take a continuing and very detailed interest in planning issues and have a couple of things I would like to say.

First of all, I believe it is very important to appreciate the planning processes currently in place as far as the national capital committee is concerned. It performs an advisory role to the Minister for Regional Services, Territories and Local Government. That committee was constructed to give the federal parliament the opportunity to comment on, and in some way participate in, the process of approving works in the parliamentary vicinity. That is exactly what we have done with respect to the V8 car race. A time line of decision making was adhered to. Despite the assertions of many in the Canberra community, that committee has done its utmost to draw to the attention of both the federal government and the ACT government issues of concern. Those issues are numerous. That committee prepared correspondence for the minister arising out of its deliberations.

The time line is this: on 31 August, the ACT Assembly effectively approved the proposal to establish the V8 car race here in the ACT. There was a lengthy debate. Those in opposition in the ACT and on the cross-bench, as is their right, reserved their right to continue to call the ACT government to account on this proposal. Subsequently, on 8 September, the proposal was brought before the Joint Standing Committee on the National Capital and External Territories. As a member of that committee, I had the opportunity to peruse at some length the proposal presented to us by the National Capital Authority.

The committee offered its support in a qualified way. That qualification was expressed in a comprehensive letter to the minister. It traversed some areas of concern, including

occupational health and safety issues, issues of crowd management, issues of retaining aesthetics in the parliamentary triangle area and issues of concern relating to local residents, who had expressed at that point in the public debate concern about noise and so forth.

On 22 September, an article appeared in the *Canberra Times* in which Jacqui Rees expressed the view that the parliament had not been brought into the loop at that time, even when we had by virtue of this briefing to the joint standing committee. On 8 October, the ACT government launched the plans for the proposal on the basis that they had secured a pathway of process up to that point that allowed them to develop the proposal to a greater extent and have the ACT named as the preferred site for the event.

On 13 October, another letter appeared claiming that some dubiousness relating to process had taken place. At that stage, I believe that some legitimate concern had been expressed about process. I will comment on that shortly. On 19 November, the National Capital Authority received the works approval application in relation to the project. The ACT government had nominated the 22nd to put tickets on sale for the event. On 30 November, the issue was listed here in the federal parliament.

The point is this: through all that process, there has been ample opportunity for people to express their concerns through their political representatives on the joint standing committee and subsequently. It was not until a late stage of the debate that the actual notion of using this parliamentary process as some form of planning veto was actually nominated by some activists. I believe that is cause for concern.

I value the use of the Joint Standing Committee on the National Capital as a mechanism for parliamentary scrutiny and deliberation on planning issues. I also respect the need for those in the ACT, regardless of their political persuasion, to tell people who are proposing ideas that they have a planning process and what that process is. I am gravely concerned about the introduction and use of the national capital committee and this subse-

quent presentation before parliament as some last-minute veto. I will always reserve the right as a representative of the ACT to express the view of my community through that process. However, the time for expressing that view and allowing those factors to be considered as part of the debate within that committee is effectively long gone.

However, planning is always contentious. That is the legacy we have as a result of the Carnell government in the ACT. That legacy is not a proud one. It is not one that the ACT community has a great deal of confidence in. I empathise greatly with those in our community who do have consistent concerns, regardless of the subjective merit of any planning proposal, because of this history. I do not need to remind too many people in the community who are concerned about the V8 car race about the Futsal slab debacle, which identified some flaws in the process of approval. It led to the committee I am on—the joint standing committee—expressing grave dissatisfaction about the process by which the parliament and that committee's approval processes were used for that project.

In conclusion, I will raise another issue related to this. There is a reasonable call that again the ACT government has been a little insensitive in its management of this and a little disrespectful of the processes within the federal parliament. It relates to putting those tickets on sale before the works approval was given. I understand the need for having an identifiable way in which the Assembly can proceed in putting ideas into action. I will always respect its right to deliberate the relative merits of those proposals. However, given the circumstances and given that so many people in Canberra care very passionately about the nature and precinct of particularly the parliamentary surrounds, any proposal of this nature requires the utmost sensitivity, attention and commitment to due diligence.

The DEPUTY PRESIDENT—Senator Lundy, you were given leave to make a short statement. You have spoken for nearly 10 minutes.

Senator LUNDY—I indicated to the government that I would be speaking for

around 10 minutes. With respect to this proposal, I do not believe there are grounds in the process that will now warrant Labor opposing it in this place. I believe that we have had opportunities to discuss it and for public debate to occur. I for one would not like to have considered this proposal in a vacuum without the proposal being made public. That has been exactly the case.

We need to have some form of confidence in our planning system in the ACT. The concerns that have been expressed with respect to this proposal reflect more on the general nature and attitude towards planning and proposals by the ACT government. The resolution of this, if those in the community are so gravely concerned, is a political one—to change your ACT representation.

I stand for the Labor Party. The Labor Party's record on planning issues is consistent, principled and committed to the advancement of Canberra as a community, a regional centre and a national capital. That is why we put in place the measures that we did when we established the National Capital Planning Authority. I stand by that. I do not believe that others can. I ask both the ACT government and the federal government to listen carefully to the concerns of ACT community members in relation to these issues and to try harder with respect to both this proposal and proposals in the future to reflect those views, take them into account and honour the processes and the values of Canberra as a national capital.

Senator BROWN (Tasmania) (3.53 p.m.)—by leave—I thank the Senate. Unlike the Labor Party, the Greens oppose this V8 Supercar race being foisted on the centre of the national capital. That opposition comes from the fact that there are very good places that the car race could be held on conventional racetracks. But on this occasion next year, with the people of the ACT footing a \$7 million donation to the organisers of this event, Canberra is going to be the venue and the whole of the parliamentary triangle, also built at public expense and a part of the nation's heritage, is going to be the venue for V8 cars with the noise, the pollution and the disruption that is going to be involved in that

ripping through the parliamentary precincts. Why? So that the landmarks involved—the national symbols involved—can be a backdrop to a gladiatorial event of the end of the 1990s with all the noise and pollution that comes with it. For the days that are concerned, it is a de facto privatisation of the parliamentary triangle. And the administration of Chief Minister Kate Carnell is putting \$7 million of the taxpayers' money in, to boot.

Today the front page of the *Sydney Morning Herald* had a major article about corporate largesse by governments. But this is taking that too far. The *Canberra Times* report today on the documents says:

The plans include the provision for erection and dismantling of—

This is in the parliamentary triangle, which is between here and Lake Burley Griffin, and that includes roaring past Old Parliament House.

Senator Ian Campbell—Yeah!

Senator BROWN—‘Yeah,’ say the members opposite, because it suits their thinking. But I believe the national capital deserves better and I believe there are better places for this race. It is not a case of not having the race. It is a case of putting it somewhere else. Mount Panorama might be a start. The plans include provision for erection and dismantling of grandstands—this is between here and Lake Burley Griffin—corporate platforms—so that is what is being funded: the corporate sector—merchandising—

Senator Ian Campbell—Terrible!

Senator BROWN—I agree with Senator Campbell. It is terrible that \$7 million of taxpayers' money is going to funding the corporate sector to put on an event like this. Whatever happened to user-pays? If this is not paying for itself, then it should not be held. If the public is not going to support it and pay for it, the taxpayer, unwilling, should not be footing the bill. I go back to the list, which reads:

- . Grandstands.
- . Corporate Platforms.
- . Merchandising buildings.
- . Food and beverage outlets.
- . Toilets.

- . Overtrack bridges.
- . Overtrack signage structures.
- . Concrete barrier blocks.
- . Steel debris fences.
- . Wire demarcation fencing 900mm high.
- . Wire security fencing 1.8m high.
- . Gate entry structures.
- . Temporary road closures and partial road closures during construction, during race hours, outside race hours and during demobilisation.
- . Temporary car park closures during construction, during the event and during demobilisation.

Remember, this is the long weekend when the city is full of tourists coming to see their capital. To continue:

- . Permanent road repair.
- . Temporary infrastructure of water supply, sewerage, stormwater, power and telecommunications.
- . Installation of track scoring and timing loops.
- . Temporary conversion of a car park for a contractor's off-site storage yard.

And we are not going to have a full debate on that here.

Senator Ferris—We don't have to go, Bob.

Senator BROWN—The honourable senator opposite from South Australia says we do not have to go. The fact is that the people who are coming to the national capital on the long weekend and those who live here have no choice. This is being foisted on them. The corollary of what the honourable senator says is that the people of Canberra should pack up and leave if they do not like it. So there you go. It is a totally inappropriate use of the parliamentary triangle by the corporate sector as a backdrop. It is making the parliament—the old parliament—and the major buildings attendant on that the simple backdrop to a corporate promotion. Is that what the parliament thinks of democracy in this place and the building of the capital city to represent the capital of the people of Australia? Echoes of what happened to Albert Park in Melbourne. But on this occasion, better sense should have prevailed.

Government senators interjecting—

Senator BROWN—Against the interjections opposite, this means that nothing in Australia is not up for sale under this govern-

ment and its allies. Nothing. Well, I would have thought that there could have been a bit more commonsense, if not dignity, applied to the thinking behind this V8 car race ripping through the heart of the parliamentary precinct. There are people out there who—

Senator Ian Campbell—You killjoy.

Senator BROWN—The honourable member opposite says 'killjoy'. Who is killing what joy? He should ask the thousands of visitors who would want to come to Canberra next long weekend and see this city in all its beauty and all its symbolism and with all its architecture. And one lane is going to be left open for them where it does not get in the way of this corporate exercise to turn Canberra into effectively a hoarding for a series of big corporations. One would have thought better of this parliament, if not the ACT legislature.

I can totally side with people like Jacqui Rees and the other people in the community who have been trying to alert everybody to the downside of this totally unnecessary operation. If people want to go and see a V8 race, they can go to Mount Panorama, and there are other sites in every state and territory. But to put it in the heart of the symbolic buildings of this country, to put it in the democratic centre of this nation, is tawdry. It is a transfiguration of Canberra. Well may members opposite pout and object, but some more thought should have gone into this. The Greens totally oppose it and believe it should be relocated elsewhere so that everybody gets a fair go.

Senator GREIG (Western Australia) (4.02 p.m.)—by leave—I am very keen to put on record the deep concerns that the Democrats have with this. They fall into three parts. Firstly, there is due process. Notwithstanding what Senator Lundy said in cataloguing what she saw as the administrative process that has led us to be where we are at the moment, the fact remains that we are still very much putting the cart before the horse. It should not have to be the case that we find ourselves here today snookered, as it were, into being forced to make a decision on something which appears to have been set up as a fait accompli. I understand the promoter of the

event was on radio this morning saying that the Senate was just here this afternoon to rubber-stamp the process, and I am offended by that. There must be a better way of going about doing these things. I think the parliament really has the right to know exactly what is being planned before these things are presented as such. Our second concern relates to noise pollution, and I am not convinced that that has been adequately addressed in terms of the noise expected on the day and the way in which it will drift over residential surrounds.

Thirdly, and perhaps most importantly, is the notion of the post-race behaviour—that is, the driver education programs which have been implemented in some other places. There is anecdotal and empirical evidence to show that general driving, particularly amongst young men, is prone to become dramatically worse post these events. These events in a metaphorical way fire up the blood with some people and bring about unacceptable behaviour in terms of driving in the streets and surrounds of the area. There is clearly no plan of action by the ACT government in terms of addressing that scenario should it present itself, and indications are that it would. It is very clear here this afternoon that, given that both the government and the opposition are in agreement, there is little point in going to a division, but I want to express the deep concerns of the Democrats with the process.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (4.04 p.m.)—by leave—I simply want to thank the Joint Standing Committee on the National Capital and External Territories for their understanding of this application, and also the local representatives of Canberra, Senator Lundy, Senator Reid and others. I also thank the National Capital Authority for the way they have dealt with the application.

This is not an application from the federal government; it is from the promoters and Tourism-Canberra, the local tourism promotion organisation. The law, the Parliament Act 1974, quite clearly sets down the process which has been followed by the National Capital Authority and the government. All of

the documents were tabled in this Senate last Tuesday and are available for all senators to have a look at. There was very detailed information provided by the promoters and by the National Capital Authority. The ACT government is supportive of the proposal because of the economic activity it will create and the jobs that will be created for Canberrans as a result of the activity.

Contrary to what Senator Brown has said, apart from the administrative costs of the National Capital Authority, which are covered by application fees and the like, there is no Commonwealth taxpayers' money whatsoever involved in this. There is a \$200,000 bond lodged by the applicant to ensure that the site is made good, and that is deemed and assessed to be sufficient for us to go in and do it if perchance the promoters do not.

I just want to emphasise that due process has been followed and that no Commonwealth taxpayers' money has been involved. One of the reasons why the National Capital Authority is supportive of the application is that one of the roles of the National Capital Authority is to promote the ACT as our national capital, the national capital of all Australians. With this race, for those that enjoy car racing—and I must confess to not being one of them, but I do understand that many Australians do like this form of racing—there will be widespread coverage on television and elsewhere. It is an opportunity for many Australians to see some of the national icons. It is great publicity for Canberra and it does show to the people of Australia that Canberra, while it is a special city, while it is our national capital, while it is a bush capital, is also a capital of ordinary people—people who like to participate in all forms of sporting prowess. It was thought by the National Capital Authority and the ACT government, and they have convinced me, to be a great opportunity to do what we are required to do, and that is to promote this city as our national capital.

I conclude by again thanking the joint committee, who have been involved in this all the way through. They have been briefed, they have had discussions with the National Capital Authority and they have been kept fully informed, as have the local members of

parliament who did take an interest in this right from the start. They have made inquiries, they have assessed it and they have talked everyone through it, and I thank them for their part in the process.

Question resolved in the affirmative.

Senator Brown—I would like my sole dissenting voice to be recorded.

COMMITTEES

Scrutiny of Bills Committee

Report

The ACTING DEPUTY PRESIDENT (Senator Watson) (4.09 p.m.)—Pursuant to standing order 38, I present report No. 19 of 1999 of the Standing Committee for the Scrutiny of Bills and *Alert Digest* No. 19 of 1999, as listed on today's *Order of Business* at item 14, which were presented to the President on 1 December 1999. In accordance with the terms of the standing order, the publication of the documents was authorised.

Ordered that the report be printed.

DEPARTMENT OF THE SENATE

Register of Senior Executive Officers' Interests

The ACTING DEPUTY PRESIDENT (4.10 p.m.)—I present a copy of the latest alterations to the Register of Senior Executive Officers' Interests made between 18 September 1999 and 3 December 1999.

COMMITTEES

Foreign Affairs, Defence and Trade Committee: Joint

Report

Senator FERGUSON (South Australia) (4.11 p.m.)—I present the report of the Joint Standing Committee on Foreign Affairs, Defence and Trade entitled *World debt: A report on the proceedings of a seminar*, together with the committee's minutes of proceedings.

Ordered that the report be printed.

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

Leave granted.

Senator FERGUSON—I move:

That the Senate take note of the report.

I am pleased to present a report on the proceedings of a seminar on world debt hosted by the Joint Standing Committee on Foreign Affairs, Defence and Trade on 27 August this year. The seminar was opened by the parliamentary secretary responsible for Australia's aid program, the Hon. Kathy Sullivan MP, and the panel of speakers on the day included representatives of Jubilee 2000 and several other non-government organisations. The seminar was balanced by the inclusion of academics and officers of government departments and was very well attended by members of the diplomatic corps, representatives of government and non-government organisations and other interested parties.

The debt of the world's poorest nations is an issue that all sides of politics have a great deal of concern about, a concern shared by many people in Australia and around the world. A petition of 385,000 signatures from Australians that was presented to members of parliament clearly demonstrates the depth of feeling in the community about the debt issue. The Australian petition formed a part of a global petition of some 17 million signatures, which was delivered to the June 1999 meeting of the G7 nations in Cologne.

The debate about development has evolved in recent years. Debt is one of the fundamental problems inhibiting growth in the poorest nations of the world. There is a belief that debt and a failure to develop are intrinsically linked: highly indebted nations are unable to attract investment, nor to invest in their own social capital because of the debt burden they carry.

In 1996 the World Bank and the IMF launched the Highly Indebted Poor Country Initiative to alleviate some of the debt of the poorest nations. Criticisms have focused on the initiative's strict qualifying criteria, the limited amount of debt forgiveness and the long compliance period that countries must adhere to before debt forgiveness is offered. In response to the continuing debt crisis and the perceived shortcomings of the HIPC Initiative, a broad coalition of interested parties began campaigning for greater debt

forgiveness for the poorest nations by the year 2000 on moral and ethical grounds. In June 1999 G7 leaders agreed on the Cologne Debt Initiative, which would relax some of the criteria for access to debt relief and, most importantly, substantially increase the amount of money offered for debt forgiveness.

Australia bears little responsibility for the indebtedness of other nations. We accept that the role that the Australian government can play in reducing the debt of developing countries is somewhat limited. The committee's report therefore focuses on the concrete objectives that Australia can pursue to reduce poverty in the world's poorest and in other developing nations. In our report, we recognised the need for a fine balance between the monetary cost of the Jubilee 2000 proposals for debt relief and the human cost of doing nothing and the debt crisis continuing. It is on this basis that the committee recommended the government's continued support for the HIPC Initiative.

Australia does not have a great deal of bilateral debt owed to it by other nations, and even less of that debt is not being serviced. This is largely a result of prudent decisions to offer development assistance in the form of grants, not loans. At the seminar the committee was told that these debts totalled less than \$80 million. In the spirit of the HIPC Initiative, the committee recommended that Australia offer this bilateral debt to be considered as part of any future contributions to the revised HIPC Initiative, where those countries are permitted and agree to meet HIPC conditions.

Despite the IMF proposal to revalue some of its reserves of gold in order to pay for the HIPC Initiative, the initiative will not be fully funded. It is on the basis of this expected shortfall that the committee recommended that the Australian government give consideration to additional contributions towards the HIPC Initiative, in line with Australia's levels of obligation to the IMF and the World Bank.

We also recommended that the Australian government give consideration to increasing substantially the current levels of Australian official development assistance. This recommendation is consistent with the government

continuing to endorse a ratio of 0.7 per cent of GNP to be spent on development assistance. During the seminar we also heard of the problems with putting any conditions on granting debt forgiveness. It was made clear to us that the problem is a serious one, and the committee recommended that the government negotiate a form of conditionality which will prevent the expenditure of these funds on military equipment or corrupt practices.

Debt relief may be a circuit-breaker but it is not a panacea for the development of the world's poorest countries. Development will flow only from a genuine commitment to improving the material conditions of people, along with basic policies and robust institutions that are essential to growth. In conclusion, may I commend the work of Jonathan Bonnar from our committee in putting this seminar together and his efforts in formulating the report. I commend the report to the Senate.

Question resolved in the affirmative.

Senators' Interests Committee

Register

Senator QUIRKE (South Australia) (4.17 p.m.)—On behalf of Senator Denman and in accordance with the Senate resolution of 17 March 1994 about the declaration of senators' interests, I present a copy of the latest register of senators' interests, incorporating notifications of alterations of interests, lodged between 18 September 1999 and 3 December 1999.

Public Works Committee

Report

Senator CALVERT (Tasmania) (4.18 p.m.)—On behalf of the Parliamentary Standing Committee on Public Works, I present the following reports: *No. 12 of 1999—Staff Colleges Collocation Project, Weston Creek, ACT*; and *No. 13 of 1999—Anzac Hall Extension, Australian War Memorial, Canberra ACT*. I seek leave to move a motion in relation to the reports.

Leave granted.

Senator CALVERT—I move:

That the Senate take note of the reports.

I seek leave to incorporate my tabling statement in *Hansard*.

Leave granted.

The statement read as follows—

Madam President, the reports I have just tabled give approval for two facilities which will add to the existing range of works projects located in the National Capital. These are the proposed construction of a collocated Defence staff colleges complex at Weston Creek and a new exhibition hall for the Australian War Memorial at Campbell.

The estimated cost of the collocated Defence staff colleges project is \$28 million, while the Federation Fund is providing the \$11.9 million for Anzac Hall.

The Committee has recommended that the works should proceed. Both projects will significantly enhance the value of existing facilities in Canberra and complement the national institution functions of the Federal capital.

The first report I have tabled deals with the collocated Defence staff colleges. Each of the three single services currently conduct middle level officer training in separate staff colleges. These services colleges are located at Queenscliff, Victoria; Balmoral, Sydney; and Fairbairn, ACT for Army, Navy and Air Force, respectively. Collocation of the three colleges onto one site was most recently proposed in the context of the Defence Efficiency Review studies.

The Department of Defence proposes to collocate the three existing single service staff colleges in new facilities to be constructed at Weston Creek, ACT, adjacent to the existing Australian Defence College. The works are needed to improve efficiency in the delivery of middle level officer training and, thereby, realise savings in operating costs. Collocation is also seen as a means of reinforcing an emerging ADF joint culture.

The works are in three main components, consisting of an educational and administration facility, supporting library, catering and gymnasium facilities and the augmentation of existing infrastructure, roadways, parking facilities and landscaping.

The Committee took evidence from Defence officials at a public hearing held at Parliament House, Canberra, on 11 June 1999. In addition, on 17 August, the Committee met with councillors and staff of the Borough of Queenscliff before inspecting historic buildings and a new military instruction facility at Fort Queenscliff. The opportunity was also taken to have informal discussions with members of a large group of local residents assembled at the entrance to the Fort who expressed deep concerns about the ramifications of the relocation of the Army Staff College from Queenscliff to Canberra.

On 2 and 30 September and 21 October, the Committee held further hearings at Parliament House, Canberra and took evidence from Defence officials and representatives of the Australian Heritage Commission.

The Committee noted the concerns of local residents that collocation of the Defence staff colleges in Canberra would require abandoning Queenscliff, with a modern military instructional facility, and developing a similar institution at another site. The Committee therefore sought to quantify the extent of these benefits and, between August and October, sought additional information from Defence to substantiate the decision to collocate the colleges in Canberra.

In its conclusions, the Committee has made reference to the future use of the Fort Queenscliff property when the Army college is collocated in Canberra and has stressed the necessity to preserve the heritage values of the property when ownership is transferred.

Whilst the Committee's inquiry on this reference was unusually protracted, it was felt necessary to conduct an exhaustive examination of the rationale and justification for the location decision.

The second report I have tabled concerns the construction of a new exhibition hall for the Australian War Memorial at Campbell. The importance of the site has been recognised since 1941, when the Australian War Memorial opened to commemorate the sacrifice made by Australian men and women, and those who served with them, who died in time of war.

Since that time, the Memorial has developed and maintained a collection of historic material, conducted research into all aspects of Australia's military conflicts and is involved in other activities such as the dawn service on ANZAC Day.

The Memorial complex has been extended several times since 1941, with the Public Works Committee recommending in 1992 the construction of a depository at Mitchell to house large relics of war.

Funding has now become available to enable the construction of a large exhibition space, to be known as ANZAC Hall, at the Campbell site.

ANZAC Hall will provide visitors to the Memorial the opportunity to view much of the Memorial's collection at the one site, including many of the large relics that have been housed at the Mitchell depository.

One such relic is the Japanese midget submarine that was recovered from Sydney Harbour, with the Lancaster Bomber 'G for George' and other assorted tanks and artillery expected to be strikingly displayed in the modern exhibition space of ANZAC Hall.

It is proposed that ANZAC Hall be constructed on the existing carpark at the Campbell site, and be connected to the Aircraft Hall in the Memorial by way of a glass link at a mezzanine level.

The loss of the existing carpark will require the development of several new parking areas. The Committee is particularly concerned that adequate parking spaces are provided, including spaces for people with disabilities and for buses.

The Committee has recommended that 355 sealed carspaces (including 10 carspaces for people with disabilities) and the proposed additional bus parking spaces are available to visitors before the opening of ANZAC Hall.

The construction of such a large exhibition hall obviously entails a considerable expanse of roof. At the public hearing, the Committee extensively questioned the architect and representatives of the Memorial and the National Capital Authority about various aspects of the roof.

The Committee is satisfied that the nature of the design, being set behind the Memorial and sunk into the ground, minimises any visual impact the roof expanse may have when viewing the Memorial along ANZAC Parade or from places such as Parliament House.

The Committee is also satisfied that the proposed Colorbond roof meets the requirements of the brief. This is despite the fact that both the National Capital Authority and the Australian Heritage Commission have indicated that a better quality material, such as zinc or copper, would be more appropriate.

At an additional estimated cost of \$2 million, the Committee does not believe that a zinc or copper roof represents value for money. However, in recognition of the concerns raised by those organisations, the Committee has recommended that the Australian War Memorial and the National Capital Authority resolve this issue prior to the commencement of work.

The Committee recognises that as many people as possible should be able to access a building of such national importance. The Committee notes the progress of the Memorial in this area over the last few years and supports the decision by the Memorial to engage a consultant to advise on issues relating to people with disabilities.

It is anticipated that, subject to Parliamentary approval, the construction of ANZAC Hall will be completed by 31 March 2001 and officially opened on ANZAC Day 2001.

The addition of ANZAC Hall to the Memorial complex can only enhance the experience of the visitor; it can only enhance the understanding of the individual sacrifices made in time of war.

Madam President, I commend both reports to the Senate.

Senator CALVERT—These two projects, the last ones I think the Public Works Committee will be bringing down this year, total some \$39.9 million for the national capital. In particular, the co-location project of the Defence Staff College was a difficult one for the Public Works Committee because we were much attracted to the former site at Queenscliff in Victoria, which I believe has great heritage values. The Victorian government is going to protect those values. I just hope that particular establishment goes to a good home. I was not sad to see that we are going to have a co-located staff college in Canberra but it was sad for all the committee to see the traditional former establishment at Queenscliff closed. And it was a sad moment for the residents, because they did rely very heavily on the establishment there providing employment and goodwill in the community. I just hope that whoever takes over Queenscliff has the same rapport with the community that the Army did.

Question resolved in the affirmative.

National Crime Authority Committee Report

Senator QUIRKE (South Australia) (4.20 p.m.)—On behalf of Senator George Campbell, I present the report of the Parliamentary Joint Committee on the National Crime Authority entitled *Street legal—The involvement of the National Crime Authority in controlled operations*, together with the *Hansard* record of the committee's proceedings and submissions. I seek leave to move a motion in relation to the report.

Leave granted.

Senator QUIRKE—I move:

That the Senate take note of the report.

I seek leave to have the tabling statement incorporated in *Hansard*.

Leave granted.

The statement read as follows—

The report, *Street Legal*, examines the NCA's involvement in controlled operations and the adequacy of the current legislative arrangements. The report recommends wider powers for covert

investigations matched by a more independent approval and accountability system.

In controlled operations, police, agents or informants work undercover and become involved in illegal activity in order to investigate more serious criminality such as the drug trade. A recent report by the Queensland Crime Commission estimated that law enforcement recovers only about 1.3 per cent of the heroin available annually on the Queensland market. To be effective law enforcement needs to infiltrate the sophisticated organisations behind the drug trade and gather intelligence about how they operate. The same applies to criminal organisations involved in other kinds of organised crime.

Controlled operations legislation immunises law enforcement officers against the consequences of their unlawful actions and secures the admissibility of the evidence obtained. But it also imposes statutory limitations and appropriate accountability. Across Australia, however, legislation differs. Under the Commonwealth regime in Part 1AB of the Crimes Act 1914, the NCA is only covered in relation to controlled operations in the investigation of offences involving the importation of narcotics. NSW and SA also enacted controlled operations legislation but those schemes differ from the Commonwealth regime in a number of respects. Other jurisdictions, such as Queensland, have no legislation.

As the NCA operates on a national basis, it is severely hamstrung by the disparate arrangements between the States and Territories. The Committee urges the States and Territories to either introduce uniform legislation or to promote national uniformity to ensure the NCA's effectiveness in counteracting organised crime.

This report recommends expanding the scope of controlled operations to the range of offences that the NCA is able to investigate under the National Crime Authority Act 1984. The NCA could then conduct controlled operations in relation to other organised crime with legislative approval. In particular, the NCA should be able to conduct controlled deliveries of cash to follow the money trail to the core of a criminal enterprise.

Civil liberties groups claimed that the current internal approval process for controlled operations allows room for the inappropriate use of power. Law enforcement agencies argued that an external approval system would adversely affect operational efficiency. On balance, the Committee recommended a two-tiered approval process, requiring external approval for longer-term operations. The current arrangements for urgent approval should be retained for where, say, drugs arrive at the barrier.

In relation to accountability, the Committee was concerned that an appropriate balance should be

struck between transparency and operational necessity. The Committee decided that the regime implemented in New South Wales involving independent oversight by the Ombudsman, is the preferred option.

Other significant recommendations include:

- . extending the period of the validity of certificates authorising controlled operations from one month to three months;
- . adopting the strictly limited provision in the New South Wales model for retrospective approval of controlled operations where the unlawful conduct was engaged in solely for the purpose of preventing death or serious injury; and
- . extending the immunity under the Act to innocent civilians who assist police. The situation of informants who assist police, however, is different. The current arrangements, where certain representations can be made on their behalf during the prosecution process or at the time of sentencing, are appropriate.

Finally, I would like to express my appreciation to the officers of the secretariat: Mick McLean, the Committee Secretary; Yvonne Marsh, Inquiry Secretary, and Debbie McMahon, the Executive Assistant.

I commend the report to the Senate.

Senator FERRIS (South Australia) (4.21 p.m.)—This report, *Street legal*, by the Joint Committee on the National Crime Authority is a significant step towards ensuring that our law enforcement agencies are more effectively equipped in fighting organised criminal activity, particularly relating to the drug trade. The focus of this report has been on the NCA's involvement in controlled operations, a process by which a law enforcement agency may become involved in an illegal activity to assist in securing a conviction.

There was unanimous support from law enforcement agencies who appeared before the inquiry for the need to maintain the power to engage in controlled operations. In fact, it was argued that law enforcement cannot have a significant impact on organised crime unless it can become involved in criminal organisations from time to time. At an international level there is a high degree of acceptance of controlled operations to combat the increasing drug trade. In fact, a recent report published by the Queensland Crime Commission revealed that law enforcement recovers only about 1.3 per cent of the heroin available

annually on the Queensland market. That 1.3 per cent is a very small amount in relation to drugs in Queensland and it is very clear therefore that the ability to conduct more effective controlled operations is vital in undoing and destroying this insidious industry.

One of the major concerns raised during the course of the inquiry related to the perception that the NCA's controlled operations were narrowly defined in the existing legislation. The committee heard that such a narrow interpretation prevented the NCA from investigating other narcotics offences which do not involve importation. It also put the NCA at a significant disadvantage in their non-drug related work in general. The committee has therefore recommended that the range of offences in which a controlled operation can be used should be expanded. It has therefore been recommended by the committee that the corresponding immunity which is granted to covert operatives should also be clarified.

We as a committee were concerned that the NCA be able to conduct controlled deliveries of funds and, very importantly, follow the money trail as a crucial part of the fight against crime. In operations, such as short-term investigations, where urgent approval is required, the committee recommended that the current arrangements remain as they are. However, we have nominated the Inspector-General or the Administrative Appeals Tribunal to perform the role of providing external approvals.

Concerns were also raised before the committee about the protection currently being offered to civilians who become engaged in controlled operations. It was argued before the committee that, if we are going to ask these operatives or civilians to participate in this type of very dangerous work, we should be able to provide them with adequate legal protection. These people should be protected. It would be quite unfair for civilians, directed by law enforcement to engage in a dangerous task, to subsequently find themselves forced to defend their actions and the legality of those actions in court.

The inquiry also found that, while the NCA is seeking to operate on a national basis, it is

unbelievably hamstrung and significantly disadvantaged by the confusing arrangements which differ in the states and territories. The committee has therefore called upon the states and territories to introduce uniform legislation so the NCA can work across all states and territories in a much more efficient way. It is clearly absurd that organised crime significantly benefits from this lack of uniformity across the states and territories. Let's face it: the crime agencies do not worry too much about the rules as far as the states go, but of course the agencies involved in enforcement must do so, and we need to make sure those rules are harmonised.

Because many controlled operations extend beyond one month, the committee has recommended extending to three months the time under which the NCA can obtain a new certificate to continue to undertake this work. This will further strengthen the NCA's use of controlled operations as a crime fighting tool. All Australians are worried about the increasing drug trade and its effect on our communities. There is no doubt that the NCA needs to be given more efficient and more effective tools in crime fighting operations. Strengthening the legislation regarding controlled operations and a more coordinated approach will significantly assist in this important public service.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (4.26 p.m.)—I also rise to speak on the report of the Joint Committee on the National Crime Authority entitled *Street legal*. The Democrats wish to add a significant and broad caveat to that report, which is outlined in the supplementary statement contained within that report. In that supplementary statement I have referred to the Ridgeway decision, the legislative response to it, issues of external authorisation, the public interest monitor, uniformity of laws and regulations, and the accountability issue. Our caveat is based on the increasingly common misconception that somehow civil liberties and human rights issues can be balanced or even traded against concerns about regulatory efficiency. This argument has arisen with increasing frequency and is playing an in-

creasing role in debates about law enforcement. It is certainly an argument that has been raised in relation to an increase in powers for ASIO, as we have seen recently.

I wish to draw attention to a common misconception which played an important part in the testimony of various law enforcement officers testifying before the joint committee. That misconception relates to the legal effect of the Ridgeway case. This is not an appropriate time for an in-depth analysis of the Ridgeway judgment but I do want to put some facts on the record. The Ridgeway case does not prohibit controlled operations. Courts have always possessed and have frequently invoked the discretion to exclude evidence obtained through impropriety or illegality. While law enforcement agencies have claimed that the High Court 'unreasonably restricted the ability of law enforcement agencies to detect and break up drug rings', the application of the discretion was limited to those entrapment cases where the illegality was an integral part of the offence charged.

The Ridgeway case left considerable scope for controlled operations but law enforcement agencies were not comfortable with the level of uncertainty and immediately called for an administrative regime which could authorise the conduct of controlled operations, including those to which we are responding in the report of this inquiry. Contrary to statements contained in the preface of the chair's report, the Australian Democrats are not satisfied that there was sufficient debate on the merits of controlled operations legislation at the time of the passage of that legislation. There are a number of concerns that the Democrats believe should be addressed prior to any further codification or expansion of executive power. A number of these concerns are addressed in chapter 2 of the chair's report. It is the view of the Democrats that these concerns should be addressed prior to any further legislative action.

While balance is a noble and appropriate goal, many concerns must be understood outside the paradigm of efficiency. Some of the concerns are not able to be quantified and simply cannot be traded against law enforcement interests. The possible erosion of rights

is a major concern to us, and we believe it should be addressed again prior to further legislative action. One of the central recommendations of the report is the establishment of an authorisation regime relying on both internal and external authorisation.

The Democrats have a number of concerns with internal authorisation, based on the lack of independence and accountability. The Australian Democrats favour an external authorisation process, due to the need for both independence and accountability. However, the Democrats do agree with the concerns expressed about the operation of judicial authorisation mechanisms. Clearly, the nature of controlled operations and the inherent licensing of illegality make judicial involvement inappropriate if not constitutionally invalid.

We also wish to emphasise the need for a uniform national scheme. A number of witnesses referred to the jurisdictional problems involved in the current operations, and the previous speaker has done so as well. It would be extremely unfortunate if this inconsistency were allowed to continue. The Democrats do support an increased role for the parliamentary joint committee in the oversight of the National Crime Authority. However, as noted in the Chair's report, there is clearly a need for that role to be limited by the committee's primary task of overseeing the exercise of executive power. It would not be appropriate for the committee to be involved in the direct oversight of controlled operations, but there is clearly a role to be played in reviewing the operations of the legislative framework. I conclude with my conclusion from our report, and that is:

The Australian Democrats support the recommendations of the Chair's report, with the significant caveat that civil liberties concerns must not be weighed against efficiency considerations.

Question resolved in the affirmative.

Treaties Committee

Report

Senator QUIRKE (South Australia) (4.32 p.m.)—On behalf of Senator Cooney and the Joint Standing Committee on Treaties, I present the following reports: *27th report:*

termination of social security agreement with the United Kingdom and International Plant Protection Convention and 28th report: fourteen treaties tabled on 12 October 1999.

I seek leave to move a motion in relation to the reports.

Leave granted.

Senator QUIRKE—I move:

That the Senate take note of the reports.

I seek leave to incorporate Senator Cooney's tabling statement in *Hansard*.

Leave granted.

The statement read as follows—

The two Reports I have just tabled deal with a total of 16 proposed treaty actions.

The two proposed treaty actions reviewed in Report 27 were tabled in the Parliament on 11 August 1999. The rest of that group was reviewed in Report 25, and these two were held over in order to provide interested groups with the opportunity to comment on the proposal before us.

Similarly, there were seventeen proposed treaty actions tabled on 12 October 1999. We have held three of that group over, to allow interested groups more time to give us their views. Relevant Ministers have been informed, and we will report on these matters as soon as practicable.

Of the agreements in these two Reports, the most noteworthy is probably the proposed termination of the Social Security Agreement with the UK, in Report 27. For its own reasons, the UK Government has refused to index pensions paid under this long standing agreement to its pensioners in this country. We have supported termination of the Agreement, but recommended that an additional year's notice should be given to reduce the chances of hardship to those who might be effected.

The Department responsible for this Agreement appeared before us without having undertaken any consultations with community groups that might be effected. It was, of course, the first time that the Department of Family and Community Services had encountered this Committee and its process.

This Committee has now been in existence for three and a half years and, in terms of its emphasis on consultation, it has been very consistent. I would have thought that the importance of consultation of interested groups and individuals about proposed treaty actions would have dawned on every Government agency by now.

It was therefore alarming to find another example of lack of consultation in the treaties reviewed in Report 28. This was in relation to the Consular Agreement with the People's Republic of China.

While there are many Australia-Chinese business groups, no attempt had been made to contact any of them to ascertain what they thought about this proposed treaty.

This lack of action was from the agency responsible for managing the revised treaty-making process, the Department of Foreign Affairs and Trade, making this lapse more worrying.

When he announced the establishment of the reformed treaty-making process in May 1996, the Minister for Foreign Affairs stated that consultation would be the key word. While I have already drawn attention to some lapses in this area in both Reports 27 and 28, in general the Minister's policy has been acted upon by most agencies, most of the time.

As our processes have settled down, we have attempted to extend our own consultative mechanisms. In June this year, the Committee held a very significant seminar, dealing with the involvement of Parliament in the treaty-making process.

One of the outcomes of that seminar was the expansion of our efforts to seek and use the views of the State and Territory Parliaments. Although we did not receive many comments from them for the treaties reviewed in these Reports, it seems that a number of the Parliaments are now looking at ways of involving themselves in this process. This can only make the revised treaty-making process in this country more effective.

The 15 sitting day rule under which we operate is, of course, going to limit the ability of State and Territory Governments and Parliaments to forward submissions to us in time for their comments to be included in our Reports.

Intensive use of such technologies as e-mail is, of course, playing a part in speeding the dispatch and receipt of material. We look forward to greater contributions from the State and Territory Governments and Parliaments.

These two Reports review a wide range of proposed treaty actions. We have made some additional comments, as well as recommending that binding treaty action be taken. We hope that the sponsoring agencies take note of these comments.

I commend Reports 27 and 28 to the Senate.

Senator MASON (Queensland) (4.32 p.m.)—I rise to speak to reports Nos 27 and 28 of the Joint Standing Committee on Treaties. Report No. 27 includes the committee's report and recommendations concerning two treaties. The first recommendation is that Australia terminate the social security agreement with the United Kingdom, and the second recommendation is that binding treaty action be taken by Australia with respect to

the new revised text of the International Plant Protection Convention.

Report No. 28 comprises the committee's report on 14 treaties tabled on 12 October 1999. Reflecting Australia's broad international interests, these treaties establish fair, agreed and transparent rules to guide our nation's relationships in areas as diverse as the conservation and management of fish stocks; judicial assistance with the Republic of Korea; Australia's participation in the multinational force, and observers, in the Sinai; double taxation agreements to prevent tax evasion with Argentina and the Slovak Republic; mutual assistance in criminal matters with Monaco; two bilateral agreements for the safeguarding of the use of nuclear power and the sale of uranium; two telecommunications agreements; amendments to the agreement relating to the International Mobile Satellite Organization; cultural cooperation with Germany; and consular agreements with the People's Republic of China and the Macau Special Administrative Region of the People's Republic of China. In all instances in report No. 28, the committee recommends that binding treaty action be taken.

Today, we often hear that Australia enters into treaties so that we might be acknowledged as good international citizens, and sometimes we hear that we enter treaties out of naivety or some sort of misguided altruism. Nothing could be further from the truth. Australia negotiates and enters into treaties because it serves our national interest to do so. As report No. 27 illustrates, Australia will terminate those international agreements when they no longer serve the interests of our community.

Under the existing social security agreement with the United Kingdom, Australians are missing out. Under our domestic legislation, Australia indexes benefits such as pensions that are being paid to former residents eligible for social security benefits living overseas, including those residing in the United Kingdom. The United Kingdom government, however, does not index the cost of living to the benefits it pays if those eligible to receive benefits are residing outside the United Kingdom and living in Australia. All such

indexation benefits are frozen on the date the person leaves the UK for Australia or the date of the pension, whichever comes first.

As the UK refuses to index pensions it pays to people in Australia, this country is effectively subsidising the UK national insurance system in the vicinity of \$100 million per year. Importantly, however, in recommending the termination of this treaty, the committee has recommended that the Minister for Family and Community Services take steps to ensure that former United Kingdom residents living in Australia are not disadvantaged by the proposed termination.

I hope to say a bit more about the important work of the Joint Standing Committee on Treaties in tonight's adjournment debate. Suffice to say, recent protests in Seattle against free trade and globalisation in general, and the activities of the World Trade Organisation in particular, are a very timely reminder of the need to subject international agreements to scrutiny.

In the absence of public input, international organisations and international agreements are too readily perceived as nothing more than conspiracies and plots by special interests, pressure groups and unaccountable international bureaucrats. The echoes of Seattle should have convinced us all that our role in this parliament, and in particular in this committee, is to explain to Australians, and perhaps to others as well, how and why international agreements serve our national interests.

I would also like to take this opportunity to thank the committee secretariat, whose great patience with newcomers is matched only by their industry. I would also like to thank my colleagues in both houses and all parties for their contribution to the work of the committee, particularly our chairman, the Hon. Andrew Thomson, and the deputy chairman, Senator Barney Cooney. They encouraged all that is the very best in the practice of parliamentary committees in this country: decisions based upon a broad appreciation of the public interest, free of partisan reckoning but thankfully never devoid of principle. I commend reports Nos 27 and 28 to the Senate.

Question resolved in the affirmative.

FAMILY LAW AMENDMENT BILL 1999

Report of Legal and Constitutional Legislation Committee

Senator COONAN (New South Wales) (4.38 p.m.)—On behalf of Senator Payne, I present the report of the Legal and Constitutional Legislation Committee inquiry on the provisions of the Family Law Amendment Bill 1999, together with submissions and *Hansard* record of proceedings.

Ordered that the report be printed.

DELEGATION REPORTS

Australian Parliamentary Delegation to Greece, Turkey and Cyprus

Senator GIBSON (Tasmania) (4.39 p.m.)—by leave—I present the report of the Australian Parliamentary Delegation to Greece, Turkey and Cyprus, which took place from 6 to 21 July 1999. I inform the Senate that the delegation was led by the Speaker of the House of Representatives, the Hon. Neil Andrew. The deputy leader was Duncan Kerr and the other members of the delegation were Joel Fitzgibbon, David Hawker, Mrs Danna Vale and me. The secretary was Mr John Kain from the library. We visited the three countries of Greece, Turkey and Cyprus at a sensitive time. The wars in the Balkans have impacted on each of those countries, and we visited Cyprus during the 25th anniversary of Turkish intervention.

Australia has strong social and cultural links with all three countries. There are over 600,000 Australian residents of Greek extraction, 100,000 of Turkish extraction, and a considerable number from Cyprus. I understand that the Australian Cypriot community is one of the largest outside Cyprus. These migrants have made a very rich contribution to Australia—to its arts, media, cuisine and business. While none of these countries are major trading partners with Australia, they do offer important export growth and investment opportunities.

I have some comments on the economies of these countries. Firstly, I believe that the

Olympic Games in Athens in 2004 offers considerable investment potential for Australian businesses. Australian construction and related industries would be wise to take up those opportunities, given their experience in Sydney. Greece's economic orientation is, naturally, focused on Europe. It has been a full member of the European Union since 1981, and it is a significant net beneficiary of EU funding. It entered the European exchange rate mechanism in March 1998. In regard to economic policy, the government's stated top priority is to ensure that Greece achieves the convergence criteria to enable it to enter into the economic and monetary union. Towards this end, the government passed a very tight budget in 1998, imposed new taxes and curbed public expenditure. It also introduced significant changes in labour force arrangements, particularly applicable to publicly owned, debt-ridden companies such as Olympic Airways and the Greek post office. As well, there has been an extensive restructuring of the public education system. These changes have attracted significant public opposition, but the aim to be well and truly part of the European Union overrides all that.

Turkey is increasingly becoming an economic powerhouse in the region. I guess that not many Australians realise that there are 63 million people in Turkey and that the natural increase is a million and a half people each year. However, there have been significant problems in Turkey, particularly its internal upheaval as a result of its Kurdish problem. Already there has been a significant growth in our trading relationship with Turkey and, in recent years, there have been agriculture, animal husbandry and irrigation infrastructure developments between the two countries. The export of fast ferries to Turkey has also been noteworthy. It has a young and fast growing population and the government places a priority on improving its people's educational levels. But its education system is under considerable strain and this opens up opportunities for Australian educational institutions.

The Turkey-Australia economic relationship is supported by a number of bilateral agreements in such fields as trade and economic cooperation, migration and taxation.

Turkey has embarked upon a large-scale infrastructure development and modernisation program. The aftermath of the earthquake will certainly have an accelerating effect on this program. The outpouring of international assistance following the tragedy has also drawn Turkey closer to its neighbours in Europe. Particularly noteworthy was the response from Greece, because there has certainly been a lot of enmity between those two countries.

Cyprus is only a very small market but it does offer the potential as a bridgehead for the rapidly growing markets of the region. It is a fellow member of the Commonwealth of Nations and the Australia-Cyprus relationship reflects the common institutional inheritances of our origins. Australian Federal Police force members attached to the United Nations civilian police have been serving on the demarcation line in Cyprus for many years. While we were there we met with the Federal Police representatives, and they were very pleased to see us.

All three countries are certainly oriented to Europe and, while Greece is already a member of the European Union, Turkey and Cyprus are very keen to join. That was a very strong theme that we encountered. We had a very worthwhile visit and I must say that the ambassadors looked after us very well; in fact they complimented us on coming to visit the countries in which they are stationed. Particularly as we were led by the Speaker, we had access to presidents and prime ministers, which would have been difficult to achieve otherwise. As the only senator on the committee, I wish to thank the countries, the embassies and the parliaments for their overwhelming hospitality, the great receptions they gave us, and the friendliness they showed to each and every one of us. It was a memorable occasion for all of us. In particular I thank the secretary of the committee, Mr John Kain, for this report.

COMMITTEES

Membership

Motion (by **Senator Ellison**)—by leave—agreed to:

That Senator Ludwig replace Senator Collins on the Employment, Workplace Relations, Small

Business and Education Legislation Committee for the 1999-2000 additional estimates hearings from 1 February to 18 February 2000.

**DIESEL AND ALTERNATIVE FUELS
GRANTS SCHEME
(ADMINISTRATION AND
COMPLIANCE) BILL 1999**

**TAXATION LAWS AMENDMENT
BILL (No. 9) 1999**

In Committee

Consideration resumed.

**DIESEL AND ALTERNATIVE FUELS
GRANTS SCHEME (ADMINISTRATION
AND COMPLIANCE) BILL 1999**

Senator SHERRY (Tasmania) (4.46 p.m.)—During the period prior to question time when Senator Kemp had to leave the chamber and Senator Ian Campbell took over, my colleague Senator Murphy raised an issue about vehicles that are registered in a different state. I thought it was quite a reasonable issue, because there is a substantial number of motor vehicles where that scenario applies. I wonder if the minister could give us a response to that matter raised by Senator Murphy.

Senator KEMP (Victoria—Assistant Treasurer) (4.47 p.m.)—It makes no difference what state they are registered in.

Senator SHERRY (Tasmania) (4.47 p.m.)—Last week—and again Senator Kemp could not be there, unfortunately—

Senator Kemp—You are struggling, Nick.

Senator SHERRY—No, no—we are glad to see you. It was an early flight this morning.

Senator Kemp—The late flight last night.

Senator SHERRY—The minister really cannot help interrupting. We want some answers. Last week we had an extensive discussion about the boundaries of the urban conurbations, and I understand that the minister is directly responsible for the oversight and ultimately the promulgation of the regulations. Can he give us any indication now as to how these boundaries are going to be defined and regulated, what indications there will be, and so on, about the boundaries?

Senator KEMP (Victoria—Assistant Treasurer) (4.48 p.m.)—We had this question from Senator Conroy, and I responded very fulsomely to that question. I refer to the *Hansard*.

Senator SHERRY (Tasmania) (4.49 p.m.)—I thought we were going to hear from Senator Greig.

Senator Kemp—Ever hopeful!

Senator SHERRY—Since I have been provoked, I make the point: the legislation we are considering is the result of a deal between the Liberal-National government and the Australian Democrats. The drawing of boundaries around so-called urban conurbations will be a highly technical and messy bureaucratic nightmare, and it will also be very costly administratively. I did raise the issue last week of the boundary around Tasmania. I understand Tasmania will be a non-urban conurbation. How will inspections be carried out with respect to vehicles crossing the Tasmanian border?

Senator KEMP (Victoria—Assistant Treasurer) (4.50 p.m.)—There is, I understand, no urban conurbation in Tasmania, and I think that deals with the issue you raised.

Senator SHERRY (Tasmania) (4.50 p.m.)—I did understand that there would not be any urban conurbation in Tasmania. As I understand it, for a vehicle commencing its journey in, say, Melbourne—however that is defined as an urban conurbation—there will be no impact in respect of its movement into Tasmania. What about movement into Tasmania, through Tasmania and back to Melbourne?

Senator KEMP (Victoria—Assistant Treasurer) (4.51 p.m.)—Senator, I regret very much that you were not in the chamber, because you seem to be running over Senator Conroy's questions.

Senator Sherry—I don't think you raised Tasmania.

Senator KEMP—We did not raise Tasmania, but we raised other examples. If a point is outside a conurbation and a vehicle moves to a point inside, assuming it meets the other criteria—the relevant truck sizes and the rest of it—a grant will be payable.

Senator SHERRY (Tasmania) (4.51 p.m.)—Senator Kemp did indicate before he left the chamber before lunch that he was going to obtain some costing figures. Could we have an indication of when they might be available?

Senator KEMP (Victoria—Assistant Treasurer) (4.52 p.m.)—It was asked whether I would check who prepared the costings. I think the costings were prepared by Treasury.

Senator SHERRY (Tasmania) (4.52 p.m.)—Firstly, can you provide us with the overall cost? Then, depending on that answer, there may be some subsequent questions.

Senator KEMP (Victoria—Assistant Treasurer) (4.52 p.m.)—I am advised that the cost was in the original bill.

Senator Sherry—Which is?

Senator KEMP—The Diesel and Alternative Fuels Grants Scheme Bill 1999 and in the EM to that bill.

Senator Sherry—What is the amount?

Senator KEMP—We will check on that and give it to you. They are going to have to read the EMs again.

Senator SHERRY (Tasmania) (4.53 p.m.)—My question went to the amount, not the name of the bill or the explanatory memorandum that it was in.

Senator Kemp interjecting—

Senator SHERRY—I will be kind to you. I am not going to be like one of my colleagues and unfairly criticise you. I will be charitable. You just misunderstood the question.

Senator Kemp—You just did not express yourself correctly.

Senator SHERRY—You misunderstood the question. Those costings are fairly important. We would like some sort of breakdown of the figures across Australia, if that is possible. Perhaps you could check with your advisers.

Senator KEMP (Victoria—Assistant Treasurer) (4.53 p.m.)—I do not think that will be possible. We will provide to you any publicly available costings.

Senator SHERRY (Tasmania) (4.53 p.m.)—You say ‘publicly available costings’.

Why aren't these figures available? We think it is very important to have some indication of the figures across the country. I think the trucking industry, in particular, would like to know the size of the financial difficulties that it will face.

Senator KEMP (Victoria—Assistant Treasurer) (4.54 p.m.)—Senator Sherry, you must have been aware of the costing, because Senator Conroy tells me that you support the bill. If you were unhappy with the costings or anything else, I would be surprised if you supported the bill. As I said, if there are specific matters, I will take them on notice and refer them to the Treasurer and see whether we can provide any additional information. This is an important measure.

Senator Conroy indicated that the Labor Party supported the bill, and I welcome that. We are always happy to have the Labor Party on board when they support good policy. I think that is a plus. As I said, we will always try to assist. I do not know whether we can go any further than the publicly available material. If we cannot, I will refer that to the Treasurer and see whether he is prepared to provide any additional information to you.

Senator BROWN (Tasmania) (4.55 p.m.)—The Diesel and Alternative Fuels Grants Scheme (Administration and Compliance) Bill 1999 provides for a difference in treatment regarding those people who live in conurbations or run trucks from conurbations and those who do not. Section 99 of the Constitution says:

The Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State or any part thereof over another State or any part thereof.

Has the government taken account of section 99? Has it got advice that section 99 in some way or other is disregarded in this matter?

Senator KEMP (Victoria—Assistant Treasurer) (4.56 p.m.)—My understanding is that this bill has gone through the usual processes. It has been through the Attorney-General's Department. We believe that the bill is constitutional. If it were not, we would not be bringing it before this chamber. This is a grants scheme. As you would be aware, the Commonwealth has a large range of

grants schemes. We have decided on the criteria for this grants scheme. I am sure that, in quality, it would be similar to many other types of grants schemes that the Commonwealth has.

Senator Brown—Would the minister be good enough to explain the difference between a rebate and a grant?

Senator KEMP—A rebate is, I think, essentially a payment back of a tax. As I have said, we have decided to provide this as a grants scheme and we have set the criteria for it.

Senator Brown—Is the minister telling the committee that the payment back of a tax is not a preference in the matters of trade, commerce and transport?

Senator KEMP—Senator, this is a grants scheme. We are making a grant. This will mean that, providing you meet the other general criteria, there will be less effective costs in fuels such as diesel fuel. We think this is a good thing for Australia, as it will assist in making transport cheaper to rural and regional Australia. I do not know whether you agree with that, but I can tell you that most people in rural and regional Australia do agree with that.

Senator BROWN (Tasmania) (4.58 p.m.)—Mr Temporary Chairman, I detect that the minister is having difficulty with this section, so I will put it back to him. Section 99 says: The Commonwealth shall not, by any law or regulation of trade, commerce, or revenue, give preference to one State or any part thereof over another State or any part thereof.

Would the minister be good enough to tell the committee how giving a rebate on a tax of this variety—which is, of course, at the heart of trade—is not a matter of giving preference to one region of Australia as against another? It is treating one part of Australia differently to another.

Senator KEMP (Victoria—Assistant Treasurer) (4.59 p.m.)—This will not be the first time in this chamber, but you have actually missed the play here. This is not a rebate; this is a grant. I will repeat: this is not a rebate scheme; this is a grants scheme. This is what we are debating here at the moment.

All my other remarks in the *Hansard* remain. This is a grants scheme. This has gone through the various procedures that bills are required to go through before they are constitutional. They probably did not consult with you on the constitutionality of the bill. In my view, they were probably very wise not to do so. You do understand that we are speaking about a grants scheme, don't you?

Senator BROWN (Tasmania) (5.00 p.m.)—I would understand it better if the minister had answered my earlier question, which was: what is the difference between a grant and a rebate? He is having difficulty here, so let me tackle it in a different fashion. The minister says it has been to the Attorney-General's Department. Can the minister tell the committee whether there is a written advice to the government on this matter?

Senator KEMP (Victoria—Assistant Treasurer) (5.00 p.m.)—Government practice is not to provide any written advice but I can assure you that, as we have brought this before the chamber, we believe it is constitutional. As I said, I am very glad, given the level of understanding you have shown, that we did not seek any advice from you on this issue.

Senator BROWN (Tasmania) (5.01 p.m.)—The minister is getting personal about it, but I think it is a very important matter. On the face of it, there is a constitutional impediment to treating one region of Australia differently from another. We have elicited that there is not written advice to the government to the contrary but that there is advice from the Attorney-General's Department. The easiest thing here would be for the minister to simply explain what that advice is. Is the minister prepared to give the committee the advice the government has so that we can all be reassured that there is not going to be a challenge in the courts over something which, on the face of it, seems eminently challengeable?

Senator KEMP (Victoria—Assistant Treasurer) (5.02 p.m.)—The last part of your question is wrong. It is not eminently challengeable. I have answered the first part twice already. I do not know whether I can add any more to what is in *Hansard*. I am happy to go on repeating it if you wish me to repeat the

issue, but I do not think it adds to the sum of knowledge. I am not sure that you listen when I speak anyway. All I can do is urge you to read the *Hansard* and you will find that the information is there for you, Senator.

Senator BROWN (Tasmania) (5.02 p.m.)—I will not persist, Chair. The case is hopeless.

Senator SHERRY (Tasmania) (5.02 p.m.)—It is quite normal for any opposition—including your party when you were in opposition—even when supporting a measure, to scrutinise thoroughly the reasons that the government has advanced and the arguments that it puts forward. There is nothing strange or unusual in doing that. The fact is that with this proposal to define urban conurbations and have effectively lower costs in rural and regional Australia—which, coming from Tasmania, I do not have any objection to—you have higher costs in the urban conurbations, however they are defined, and you have to draw arbitrary boundaries between urban conurbations and non-urban conurbations. A range of inconsistencies and anomalies will emerge, and the enforcement of these new boundaries will be bureaucratic and, as a consequence, costly. Effectively, a new enforcement regime will have to apply.

The statement by the Prime Minister ‘Costings of Commonwealth and state measures’—which arose as a result of the deal with the Australian Democrats—has listed on page 2 total cost to government, funding measures and additional revenue. For diesel fuel excise mid-range vehicles for the year 2000-01 it has \$199 million.

Senator Kemp—Which page are you reading from?

Senator SHERRY—Sorry. It is the statement by the Prime Minister on 31 May, ‘Costings of Commonwealth and state measures’. My apologies; I had the wrong date. It has diesel fuel excise mid-range vehicles: \$199 million for the year 2000-2001, \$209 million for the year 2001-02 and \$223 million for the year 2002-03. I assume they are the correct figures. Would you confirm that for me?

Senator KEMP (Victoria—Assistant Treasurer) (5.06 p.m.)—My advice is that

those figures resulted from the agreement with the Democrats, that those were the figures which were produced and that those are the figures which are in the document.

Senator SHERRY (Tasmania) (5.06 p.m.)—That is approximately \$631 million of savings, but a cost to the motor vehicle industry over that three years. Did the government carry out a reassessment of the inflationary impact of the additional cost in transport flowing through to the consumer price index as a result of this additional \$600 million in cost?

Senator KEMP (Victoria—Assistant Treasurer) (5.07 p.m.)—The Treasurer announced those CPI figures. Those are the costs of the ANTS package. There was a question in question time today in which I dealt with that.

Senator SHERRY (Tasmania) (5.07 p.m.)—Because of the deal with the Democrats you have an additional \$600 million in costs to industry to mid-range vehicles. That cost must flow on in prices. I mean, \$600 million is \$600 million. It is an average of \$200 million a year in extra transport costs. What is the additional inflationary impact? Have you done it? If you have not done it, why haven’t you done it? And if you have done it, what is the additional inflationary impact?

Senator KEMP (Victoria—Assistant Treasurer) (5.08 p.m.)—There is a very substantial benefit to industry as a result of our measures. Certainly as a result of the agreement with the Democrats there were additional costs which we then had to put into revenue. The Treasurer has released the overall CPI figures. Those are estimates made by Treasury which take into account all the costs and benefits of the ANTS package. Some prices will rise, some prices will fall.

Senator SHERRY (Tasmania) (5.08 p.m.)—You are missing the point, Minister. I appreciate that you costed your original ANTS package. Those figures turned out to be misleading in a number of ways, but that is another issue. I do not want to be overly provocative and I do not want to keep the Senate chamber on this legislation for too long. You then did a deal with the Democrats.

The document that I have here from 31 May outlines the cost to revenue and the additional expenditure involved in that deal with the Democrats. We know that the transport of goods and services has a significant impact on the cost of those goods. We know that there is an additional cost as a result of the position the Democrats took. Why did you not work out the additional transport costs in urban conurbations and the flow-on consequence for prices in the urban conurbations, however they are defined?

Senator KEMP (Victoria—Assistant Treasurer) (5.10 p.m.)—I will go through this again. Senator, I guess if you repeat yourself, there is no reason why I should not repeat myself—that's called showbiz. This is a measure that the government has announced following the agreement with Meg Lees and the Democrats. This measure will be to the overall benefit of industry and transport costs. An environmental issue was raised by the Democrats. As a result, a bill in the current form has been produced to this chamber. The overall benefit is going to be very important to regional and rural Australia.

I make that general point and then I come to the next point—the impact on inflation. The Treasurer has announced, based on the best available Treasury estimates, an overall inflationary effect of the ANTS package. I do not know if I can disaggregate that for you any further. The Treasurer probably feels, quite correctly, that he has given a great deal of information. But if you feel any further information is needed, I will put that to the Treasurer.

Senator SHERRY (Tasmania) (5.12 p.m.)—This is an important issue. We hear from the government, the Liberal-National Party, ad nauseam about these cost savings. It will be interesting to see how much that cost saving passes through to the consumer in terms of the final price paid in rural and regional Australia. I would like you, Minister, if you could, to give an undertaking to us that the full price flow will occur. That is the first question, Minister, I would like you to address—a guarantee, or an undertaking, that the full savings will flow through into cost reductions for rural and regional Australia.

That is a very important issue for rural and regional Australia.

I asked you a second time about the inflationary impact of this change to the original ANTS package not because I believe in asking questions two or three times but because I thought you misunderstood. What we would like to know is: what is the inflationary impact of the additional cost that mid-range vehicles are going to incur as a result of this change to diesel fuel rebate in urban conurbations? I think that is important. That is the second issue you should address, Minister.

Looking at the figures, the \$199 million in the year 2000-01 increases by about five per cent, by approximately \$9 million, in the following year. In the next year it increases by a little over five per cent. Why the increase? What is the basis for the increase in the figure over those two years?

Flowing on from that, in order to achieve these estimates, you must have had some formula for calculating the cost to industry and the revenue saving to government. In order to have that formula, you must have had some idea about the proportion of kilometres travelled by these vehicles over a year. In order to have that, you must have had some idea about the number of kilometres spent by vehicles in urban conurbations vis-a-vis rural or non-urban conurbations. In order to come to that estimate, you must have had some idea of the borders of these so-called urban conurbations. We would like the detail of that. How did you come to this calculation? You must have some preliminary detail in order to make these estimates. That is my fourth point. I think it is a very important issue.

Senator KEMP (Victoria—Assistant Treasurer) (5.16 p.m.)—We expect that the savings we are providing will flow through to regional and rural Australia. That is one of the marching orders of the ACCC to deal with this issue. I do not think Senator Sherry was at the Senate committee when the ACCC appeared. We expect cost savings to flow through. The second issue is the cost to mid-range vehicles. It is clear that the grant scheme applies to vehicles that take journeys where at least one point is outside the conur-

bation. We do not have figures that we can assist you with there.

The third issue is the overall inflationary impact of this measure. I have discussed it, and I do not think I can add anything further to what I said earlier. Your fourth point concerns the calculation of the figures. These figures were prepared by Treasury. As far as providing you with some more information on how the conurbations will be defined, I am afraid that you will just have to wait until this material is released. I said that I hope it will be released in a comparatively short time.

Senator HARRIS (Queensland) (5.17 p.m.)—I seek some clarification from the minister about vehicles between 4.5 and 20 tonnes that travel long distances outside the exclusion areas. A vehicle under full maximum load, for instance, from Brisbane to Cairns will consume X litres per 100 kilometres. If it is not able to get a back-load and it returns unloaded, it will use Y litres per 100 kilometres. How does the government intend to track this fuel usage, bearing in mind that the grant relates to the consumption of litres?

Senator KEMP (Victoria—Assistant Treasurer) (5.18 p.m.)—It is the eligible kilometres over the total kilometres travelled by the quantity of fuel. I suggest that Senator Harris look at section 1.21 of the EM. The issue is covered in the EM. It may be of interest to him.

Senator HARRIS (Queensland) (5.19 p.m.)—As it is the total quantity of fuel multiplied by eligible kilometres over total kilometres, the person will be applying for the grant based on the quantity of fuel consumed. Unless I am incorrect, the grant is for 16c per litre consumed. How is the government going to be able to administer this process when the variations in the fuel consumed will be quite considerable between the vehicle being loaded and unloaded in eligible and non-eligible areas?

Senator KEMP (Victoria—Assistant Treasurer) (5.20 p.m.)—I think it is quite straightforward. I beg to differ with you. It is the total quantity of fuel multiplied by the eligible kilometres over the total kilometres. I do not think there is great complexity there.

If there is, I would be surprised. It seems to me to be pretty straightforward.

Senator SHERRY (Tasmania) (5.20 p.m.)—I follow on from the point that Senator Harris is making. I appreciate his concern. Queensland is a slightly bigger state than Tasmania. There is an enormous amount of trucking around Queensland, as there is in Tasmania. Both states share at least one thing in common, which is that the majority of the population lives outside the capital cities, unlike all other Australian states.

Point 1.21 of the explanatory memorandum provides the statutory formula for working out the eligible use of fuel. There are then a number of paragraphs. It goes across the page. If I were a truckie reading this, I would be a bit concerned. Obviously, not many of them would read an explanatory memorandum. I assume that their accountants and financial advisers would do that for them. It begs the question of the costs involved for the truckie in addition to the cost of the advice they have to get from their accountant or financial adviser.

But, on reading this formula, it seems to me that a driver would have to record accurately in some diary the quantity of fuel that is consumed between stops. Are you able to address that issue, Minister?

Senator Kemp—They are required to record eligible fuel consumption.

Senator SHERRY—Senator Harris raised this issue initially, so I should give the floor to him.

Senator HARRIS (Queensland) (5.23 p.m.)—The issue that I am raising is that these vehicles can carry up to two tonnes of fuel. A normal fuel gauge will give them increments in either quarters or tenths, so there is a variation of anywhere between whatever number you want to pick and 20 litres showing on the actual gauge. My question is: how is the government going to require these drivers to say that they have left point A, travelled to point B, returned back to point A and used exactly the litres of fuel that they are going to claim on the rebate? Unless they happened to start their journey from a service station and return to the same service

station and fill again, they are going to have considerable difficulty in relating the total kilometres to the total quantity of fuel used.

Senator KEMP (Victoria—Assistant Treasurer) (5.24 p.m.)—What we say in the formula is that it is the total quantity of fuel used, which presumably you can get from the bowser or your various gauges, by the eligible kilometres divided by total kilometres. I think you are raising an issue which, it is clear to me, is not complex at all. The formula just requires the total quantity of fuel. I do not think there is a complication in measuring the total quantity of fuel that you have put in your vehicle. Then you multiply that by the eligible kilometres divided by the total kilometres. I do not see that that is a complex issue. It seems to me to be quite straightforward. I am not quite sure where you are heading or what the construct is.

We are giving a benefit. This is a significant benefit, and I think it is something which is eagerly sought by rural and regional Australia. I am surprised you adopt such a negative attitude to it. The truth of the matter is that this is something which is going to be of importance to rural and regional Australia. It is far better than the current arrangements. You are not standing up and defending the current arrangements, are you? I think you are not, and neither should you. This is a better arrangement. Quite clearly, when you bring in a new scheme, there are certain compliance issues. You are well aware of our agreement with the Democrats. The Democrats were concerned about environmental issues in the city areas—the conurbations, as we call them. So arrangements were made. But this is a big plus. The way you are addressing this issue, it seems to me you are thinking that this is a minus. This is a big plus for rural and regional Australia.

I think the original scheme the government went to the election on was very widely supported. It was not matched by the Labor Party in any shape or form. This is something we think is important. This is the mark 2 version. We agree with that. But you are aware of that debate. Senator Greig is particularly aware of that debate. But I do not think there is a complexity along the lines that you

are talking about, when you view the formula in section 1.21 of the EM.

Senator HARRIS (Queensland) (5.27 p.m.)—I would just like to note on the record that I am neither supporting the initiative nor condemning it. I am trying to achieve some clarity for the people who are going to have to use it. In many cases, these vehicles do not start and complete their journeys from similar areas. They do not fuel up going in or out of restricted or non-restricted areas. I am merely seeking clarification from the government as to how these different kilometres and the percentage that will be eligible kilometres are going to be recorded by the drivers of these vehicles—nothing more; nothing less.

Senator KEMP (Victoria—Assistant Treasurer) (5.28 p.m.)—Each time you fill the tank you record the number of litres. There is no big deal in recording that. You are able to tell the distance travelled from the gauges in the vehicle. There is no great complexity in that, particularly if you are going to get a nice big grant at the end of it. If you do not want to record any of it and do not want to apply for it, you do not have to. But let me make a bet with you that these compliance arrangements are not complex. You record how much fuel you put in. You fill up your tank, so you record that. You make a calculation from the gauges in the vehicle how far you have travelled on an eligible journey. It is very straightforward.

I must confess I am a little bit sorry to hear you are neither supporting nor opposing the measure. I would have thought that if you are interested in rural and regional Australia you should have been out there strongly supporting this measure. You should have been screaming from the rooftops to bring this in as soon as possible, because this is what rural and regional Australia wants. We are cutting back on the very high excise costs which the former government imposed.

Senator Sherry—Oh, rubbish!

Senator KEMP—In the last election, the former government, by the way, did not offer any measure, as I remember, in relation to excise. I do not think there is that complexity that you are talking about. These are not complex calculations. It seems to me that they

are quite straightforward. Given the incentive to get a grant at the end of it all, I think we will have a very high percentage of eligible truckies who are very keen to claim this grant—a very high percentage indeed.

Senator SHERRY (Tasmania) (5.31 p.m.)—I just want to respond to a couple of points that Senator Kemp made. I have just checked very briefly, and the excise on diesel is not a Labor tax; it was introduced, I am advised, back in the 1920s by a conservative government. It is nice to see the advisers acknowledging that. It was not a Labor tax. We have had this diesel excise—

Senator Kemp—You kept on putting it up. That is the advice I have.

Senator SHERRY—I seem to recall when you were in government you bunged it up. It has been indexed. I am informed it has been indexed and it is still being indexed under your policy despite what we are considering here. You really were stretching it a bit there, Senator Kemp, but at least you have livened the debate up a bit by your outrageously provocative statements. We are not on public broadcast but I think that the three members of the public listening to this debate in the public gallery should be well aware that what you said was not true. It was just not true. It was introduced by a conservative government. The point should be made that the diesel excise will continue to be indexed. That is correct, isn't it? It will continue to go up. So your allegation was just false.

Returning to the issue of Queensland, I think you missed the point, Minister. When you talk about rural and regional Australia, there will probably be, I suspect, some urban conurbations outside Brisbane-Gold Coast. Apparently the Gold Coast will be part of the urban conurbation. Will there be any urban conurbations outside the Brisbane-Gold Coast area in Queensland—for example, in the Townsville area or the Cairns area? Are they going to be classified as urban conurbations?

Senator KEMP (Victoria—Assistant Treasurer) (5.33 p.m.)—Conurbations in Queensland—your advisers can confirm this; they would not have asked the question—are in the act. I am surprised that, having closely

read the act, as you certainly have, you asked that question.

Senator Sherry—What is the boundary?

Senator KEMP—That is not what you asked me. You are attempting to slip-slide away. You are a slippery customer, Senator Sherry.

The TEMPORARY CHAIRMAN (Senator McKiernan)—Order, Minister! That is not parliamentary dialogue.

Senator KEMP—Thank you. Of course, I withdraw that; I was just provoked, as you know.

Senator SHERRY (Tasmania) (5.34 p.m.)—I think it is important to note that Senator Kemp did not respond to the earlier point I made in my last contribution about who introduced the diesel excise and the fact that diesel excise is still going to be indexed, still going to go up. This is part of a GST deal. I do not know what Senator Harris's attitude is to the GST, but he has expressed a degree of ambivalence about this package that we are considering here in debate. The price of this change to diesel fuel in rural and regional Australia is a GST. It is a whacking big new tax.

Senator Kemp—Senator, try to keep a straight face.

Senator SHERRY—Well, we—

The TEMPORARY CHAIRMAN—Order! Senator Sherry, please ignore the unruly interjections.

Senator SHERRY—Thank you, Chair. We do occasionally smile in this place, Senator Kemp, as you well know. It is not all serious, humdrum, deadly boring debate. We do sometimes, somehow manage to maintain a sense of humour in this place, and I think that is a good thing.

I will go back to the indexation of the excise. We are going to have a goods and services tax starting from 1 July next year. Inflation will be higher—we differ about what the impact of that will be—and we will therefore have more excise collected. Could you, Minister, tell me, on the basis of the government's inflation projections for next year, how much additional fuel excise will be

collected as a result of the increase in inflation next year? It is indexed to inflation, as I understand it. We would like to know that.

The next issue that I wanted some response to was this. Senator Greig, as I understand it, on behalf of the Democrats, has not made much of a contribution. He may have made a contribution when I was not in the chamber, so I will not accuse him of not making any contribution or responding in any way. He may have made a contribution during Senator Conroy's carriage of this legislation earlier today or last week. I do find it strange that, if a vehicle travels in the urban conurbation—let us use Sydney as an example, whatever the borders of Sydney are—and if it travels just one inch—I suppose we should use metric; I am still with imperial measurements unfortunately—

Senator Kemp—I didn't think you were as old as that.

Senator SHERRY—Yes, I am as old as that, Minister, and I feel it too, particularly with this GST package that we have been considering for the last year. Let us assume they travel one centimetre over the boundary, however it is defined. My understanding is that for the whole journey—whether it is 600 or 1,000 kilometres—they receive the rebate and are effectively paying a lower fuel excise. Is that correct?

Senator KEMP (Victoria—Assistant Treasurer) (5.38 p.m.)—The destination has got to be outside the conurbation. I cannot add any more. We had this debate a bit earlier when Senator Conroy was here, and I said that if there was a starting point outside the conurbation and an end point inside the conurbation, or vice versa, the general rule applies. I cannot add much more to it than that.

Senator SHERRY (Tasmania) (5.38 p.m.)—My purpose in raising it was not so much to get a response from you but to get one from the Australian Democrats, who have been very silent. You have confirmed, Minister, that if you drive a couple of hundred kilometres within the urban conurbation, however it is defined, then effectively you are an urban conurbation driver—sounds a bit like an urban cowboy, doesn't it?—but if you

step just a fraction outside the boundary for a fraction of a kilometre then you get the whole journey—hundreds of kilometres—tax free. That does seem to me to be opening up a real potential for a loophole. I do not see that that is a reasonable way of spending public moneys.

I can understand why you might do that for simplicity's sake—administering the proportion of kilometres a person travels one side of a boundary or the other would be difficult—but in terms of equity and value for the taxpayer, et cetera, it does seem to be an extraordinary situation. I would like some response from the Democrats on this point. Certainly, while I have been in the chamber they have sat silent throughout this debate. Senator Greig, to be fair to him, was not in the Senate when this package was negotiated, so we do not say that he was involved in the conversations and negotiations—I assume he was not—but he is here now and he has to represent the Australian Democrats. He has to front up and provide an explanation for the way in which the formula is going to apply. I would appreciate some confirmation. I would like to know from the Australian Democrats whether this is what was negotiated with the government and, if that is a correct interpretation, why the Australian Democrats took that particular approach.

Senator KEMP (Victoria—Assistant Treasurer) (5.41 p.m.)—If Senator Greig would like to make a contribution, that is absolutely welcome, but I will briefly make a couple of observations on Senator Sherry's remarks. This new provision that is being inserted will enable the commissioner to make a determination as to what will or will not constitute a journey for the purposes of the DAFGSA. The commissioner himself will make a determination on what constitutes a journey, and that will be a tax ruling. The commissioner will obviously be interested in making sure they are genuine journeys. I would not have thought there would be any argument about that. Given your desire earlier in this debate to protect revenue, I am sure that you would support that. That is the observation I would make on your remarks.

Senator HARRIS (Queensland) (5.42 p.m.)—Could the minister please inform the committee whether, under the proposed bill, an authorised officer does have the authority, first of all, to stop a vehicle for inspection and, secondly, whether that authorised officer has the authority to take a fuel sample?

Senator KEMP (Victoria—Assistant Treasurer) (5.42 p.m.)—The answers to those questions are yes and yes.

Senator HARRIS (Queensland) (5.43 p.m.)—In the light of the minister's reply, could he enlighten the committee as to what is the purpose, given the authority to take a fuel sample, of physically taking the sample?

Senator KEMP (Victoria—Assistant Treasurer) (5.43 p.m.)—To make sure they are using eligible fuel.

Senator SHERRY (Tasmania) (5.43 p.m.)—Senator Harris has raised an important issue.

Senator Kemp—Can't your advisers give you something better to bounce off?

Senator SHERRY—Our advisers have been doing a fantastic job on this GST legislation over the last year.

Senator Kemp—They normally do. I have the greatest admiration for them.

Senator SHERRY—Thank you; that is on the record. Firstly, you will not tell us the boundaries of the urban conurbations, but you must have some idea of the number of points of crossover at the borders. You must have some idea of the number of public roads throughout Australia—and I will come to that issue of public roads a little later—at which there is a point of crossover at the boundaries. We can surmise that, on this new map of Australia that is going to be produced, there will be thousands of kilometres of new boundaries drawn around our urban conurbations. You must know approximately where they are going to be because you have made calculations about the cost of this to revenue. How many crossover points will there be: 100, 200, 250? You must have some idea of that, so I would like to know.

To return to the issue that Senator Harris raised about stopping trucks—

Senator Calvert—Big trucks or small?

Senator SHERRY—Both. Frankly, I would not get in front of a one-tonne truck, let alone a 20-tonne truck. I think the result would be the same—you would be squashed. I would not like to get in front of any sort of truck. How are you going to stop the trucks? Presumably there will be some sort of pullover pit with an inspector who will somehow indicate, as you do at the moment when you are checking the weight of vehicles to see whether they are overweight, to the truckies asking them to pull over. Is the Commonwealth going to pay for the pullover stop positions on the borders that are being established? How do you physically stop the truck? What will be the incidence of stoppage checking? Will this happen at a border point daily, weekly or monthly? Can you give us some indication of the level of inspection, the level of inconvenience to truckies in trucking operations in this country?

Senator Campbell made a point earlier, in your absence, Minister, asking whether the Labor Party is in support of the anti-avoidance proposals. The Labor Party is, but the problem that the Liberal-National Party government have got is that you are the ones who came up with this proposal with the Democrats. You are the ones who are drawing new maps around the outer edges of so-called urban conurbations, which by their very nature mean that there will be a greater level of inspection, a greater level of cost and a greater level of inconvenience for truck drivers in this country. I would appreciate a response on those issues.

Senator KEMP (Victoria—Assistant Treasurer) (5.47 p.m.)—I have seen time being filled in before. Sometimes it is done well and sometimes it is done in a fairly ordinary fashion. I think the *Hansard* will show that we are just about back to the level of the dipstick here. How many crossover points are there? You will just have to wait until we release the boundaries of the conurbations.

How will we stop the truck? What will the level of inspections be? We, as the government, are always very careful in our risk assessments to make sure that we minimise

any costs of compliance. The general matters of compliance are being carefully looked at by the tax office to ensure that there is minimal disruption. We are a government that supports industry. We support entrepreneurs and we support the ability of people to go out and make a dollar. That is why sometimes, unlike you, we are not altogether rapt with the activities of unions. Rather than creating jobs, some of their policies seek to destroy jobs.

At the end of the day the Labor Party is the political arm of the trade union movement, and I think truckies know that as well as anybody. We are actually a party which believes in enterprise, which seeks to encourage enterprise, and particularly seeks to assist rural and regional Australia, and this is why we are very pleased with this policy. It is true that we had to negotiate with the Democrats and the Democrats had particular priorities, but the policy that has been developed following these negotiations is a very sound policy which will deliver significant benefits to rural and regional Australia. There are some compliance issues, that is true, but this government always seeks to minimise the costs of compliance while at the same time ensuring that people cannot rort the system. I am not sure that I can add anything further. I hope that will give you the assurance that you were so eagerly seeking.

Senator SHERRY (Tasmania) (5.50 p.m.)—It did not, because you could not tell me how many crossover points there will be on the boundary. I would have thought you could give a reasonable figure, at least some sort of indication of the number of crossover points. Regardless of where the boundaries are drawn, there would be a ballpark figure for the number of crossover points.

Minister, I seek an undertaking to the chamber on agricultural production areas within the boundaries of urban conurbations. It is an important issue, because this proposal does not seem fair to a winery, for example, if it is within urban conurbations. I think that would occur in some areas. Let us take market gardens, horticultural production areas. Will you give an undertaking to the chamber that there will not be any of those types of production areas within an urban conurbation?

Let us compare operating a truck from a market garden within the urban conurbation and taking your produce to the central market with a market garden or winery that is outside the boundary of the urban conurbation. It may be just outside; it may be the next-door neighbour. The boundaries have got to go somewhere and they could go between two properties, so one would be inside the urban conurbation and the other outside. So you would have different transport costs in taking the produce to the central market.

Senator Brown—The Hawkesbury.

Senator SHERRY—That is not a bad example. Perhaps you are not taking the produce to the central market. Let us say you are taking it to a regional airport that is not in an urban conurbation. You have got to truck it to the regional airport. You have to draw the boundary somewhere, and you could have the transportation of goods from an agricultural area within the urban conurbation. That is unless you can assure us that there will not be agricultural production within the urban conurbation. You are the one who is drawing the boundaries. It would be useful to know that.

Senator Kemp—Senator, you will just have to wait till the boundaries are announced.

Senator BROWN (Tasmania) (5.52 p.m.)—I have an easy question after all that. Will the woodchip trucks going into Newcastle to the woodchip export facility there be treated the same as those going through Launceston to Georgetown?

Senator Kemp—If they are going from outside a conurbation to inside one, in that case they will be accreditable.

Senator HARRIS (Queensland) (5.53 p.m.)—I come back to Senator Kemp's answer earlier on in relation to the reasons for taking fuel samples. Could the minister oblige the committee by defining the difference between eligible and ineligible fuel?

Senator Kemp—Senator, it is in the act and I will give you the exact reference.

Senator HARRIS—Also for the committee, could the minister advise it how the bill protects a driver purchasing fuel so that he can be assured that in actuality he is purchas-

ing eligible fuel? If the purpose of taking a sample is to determine whether the vehicle is being operated on eligible fuel, what provision is there to assure a driver when he is purchasing fuel—and I am assuming only that there has to be a scientific test of the fuel—that he is in actuality purchasing eligible fuel? How will an owner-driver or the driver of a company vehicle be assured that he is purchasing eligible fuel?

Senator KEMP (Victoria—Assistant Treasurer) (5.55 p.m.)—The section of the bill that I suggest you may like to look at is that on definitions. Broadly, the definition is diesel or a number of alternative fuels which are listed as being eligible—compressed natural gas or liquefied petroleum gas, recycled waste oil, ethanol or canola oil—and there is a catch-all: other fuel as is specified by the regulations. If it is leaded or unleaded, it is not eligible. I think that is pretty clear.

I think that drivers will not have a difficulty. These issues are not complex and there is a great deal of incentive for drivers to comply with the act. If they comply with the act then they can obtain the grant. To me, that provides a lot of incentive. As for deciding what fuel it is, I have provided a list to the chamber and that list will be well known in the industry. I do not see the difficulty there at all.

Senator BROWN (Tasmania) (5.56 p.m.)—We have established that the woodchip truck coming into Newcastle will get the advantages in the government's legislation. Can the minister say what happens to the truck that is going around the metropolitan area conurbation collecting recycled paper?

Senator Kemp—If it is over 20 tonnes, it obtains it.

Senator SHERRY (Tasmania) (5.57 p.m.)—I want to go back to the issue of agricultural production to make a point to the minister—and I hope he will take this on board—as I understand he will be the minister responsible for the regulations. Minister, when you are looking at these maps, remember that we do not want to see wineries inside urban conurbations and other wineries next door outside the conurbations, or horticultural production inside boundaries and horticultural

production next door outside. That would be very unfair to some sectors of the same industry and that would not be competitive neutrality.

Frankly, I was quite happy about the issue of competitive neutrality—from a Tasmanian point of view—until Senator Brown raised a valid point with the issue of woodchips. The whole state of Tasmania is a non-urban conurbation and, of course, in the transport of woodchips to whatever the port is in Tasmania versus the example he gave of the woodchips being transported to the port of Newcastle, there is obviously a cost differential in Tasmania's favour. As I say, I do not have a problem with that. Senator Brown knows my position and I know his.

Senator Brown—You had said there would not be any difference—Newcastle versus Tasmania.

Senator SHERRY—What if they take the chips to a depot on the edge of the urban conurbation and then they transport them to port? I do not think that would be such an unusual circumstance with the depot within the urban conurbation. So there would be a disadvantage.

Senator Kemp, on the issue of competitive neutrality I noticed you were reluctant—you just said to wait and see, to wait until we get these maps. We know you are the minister who is going to be personally responsible for crafting these maps across Australia's boundaries and you will actually be in an interesting position. You will be the first minister that I can recall that is going to be drawing lines across maps that will have critical economic importance.

Senator Kemp—They have to come to the Senate.

Senator SHERRY—Yes, we will see them in the Senate. Good. Are they disallowable? That is an interesting point.

Senator Kemp—Yes.

Senator SHERRY—You might allow disallowable, good.

Senator Kemp—It's going to put you in an interesting position.

Senator SHERRY—From a Tasmanian perspective, I am quite relaxed about it. On the issue of competitive neutrality, businesses within the same industry competing against each other where the boundary cuts one side off from the other is a bit like the Berlin Wall. There was the absurd situation of the Berlin Wall running down the middle of Berlin, and all sorts of difficult restrictions and absurdities arose. It is the only example I can think of. I know this is not as extreme as the Berlin Wall—I would not want to make any inference that it is—but if you put boundaries across the nation, as you are proposing, to administer a diesel fuel excise, certain problems are going to emerge.

Again, I would invite Senator Greig to participate, and I notice he has not responded to my invitations to date. Minister, have any other countries adopted this type of approach in the payment of a rebate—that is, actually sat down and drawn on the map non-political boundaries? I can understand using existing political boundaries—they are well known, they are well defined and there is a degree of regulation between, say, states in the United States—but here we are not proposing to use the boundaries of states. We might in a couple of instances use the boundaries, but you, Minister, are going to be a cartographer—Cartographer Kemp. That is an interesting new title for you.

Senator Kemp—You're struggling, Nick!

Senator SHERRY—You are going to draw these maps, and they are critical to the enforcement of this rebate, which involves \$200 million a year. That reminds me, Minister, of the earlier question I asked—which you did not respond to—on the approximately five per cent increase from one year to the next. I ask you to respond to the question of the reason for the five per cent increase as well as the issues that I have raised in my comments.

Senator KEMP (Victoria—Assistant Treasurer) (6.03 p.m.)—That contribution travelled far and wide. As a filler, I would rate it as about a three, to be quite frank. I do not think I could rate it any higher, in fairness. I have indicated that the boundaries of the conurbations will be released at an appropriate time. I do not think I can add anything

to that. Whether Senator Greig wishes to respond or not is entirely a matter for Senator Greig. If I were Senator Greig, I am not sure that I would be provoked by you, Senator Sherry. I do not have any capacity to instruct any other senator, including those on my own side. Senators will do what they want to do. I see Senator Bob Brown is poised to jump, so undoubtedly he will take up a bit more time.

In relation to the overall price effect of the ANTS package, the Treasurer has announced some figures, which we dealt with in question time. If you want any more information on that, I would be happy to put that to the Treasurer to see whether he can give you any further information to satisfy your insatiable appetite.

You raise the issue of international comparisons; I do not have any comparative data to give you. It is important in Australia that we cut the effective cost of taxes wherever we can, particularly because we are such a large country. This government is particularly conscious of the additional costs which may have to be borne by regional and rural Australia. This package, as Senator Brown might well know, is a package which we believe will ensure that we have a more competitive tax system and a better functioning economy. If you have a better functioning economy, you are more likely to be able to create those jobs which are so important.

Senator BROWN (Tasmania) (6.06 p.m.)—The tax package is a gift to the big end of town. When it comes to battlers in the bush, they are not going to get nearly the amount of money out of this that the big corporations—in particular, the mining and transport corporations—will get. My question to the minister follows my earlier questions about Newcastle. My question to the minister is: will a wood-chip truck coming through the streets of Newcastle be treated, as far as the rebate is concerned, in the same way as a 10-tonne truck that is gathering recycled paper?

Senator KEMP (Victoria—Assistant Treasurer) (6.06 p.m.)—We are talking about a grant scheme. You keep on saying 'rebate'. That is where you got yourself into difficulty earlier on. We are talking about grants, and

that is why you got into the constitutional difficulty that so gripped the chamber about half an hour ago. The rules are clear. I do not know whether I can explain them any more clearly to you. We have been through this. Where a journey commences outside a conurbation and finishes inside a conurbation, the grant is payable. I do not know whether I can go any further on that.

Senator BROWN (Tasmania) (6.06 p.m.)—He can with my assistance, Mr Temporary Chairman. The second part of my question is that the woodchip does get the grant—and let us call it a grant because this minister could not explain the difference between that and a rebate earlier in the debate, so we will go along with his terminology—but what about the 10-tonne truck that is gathering paper for recycling?

Senator KEMP (Victoria—Assistant Treasurer) (6.07 p.m.)—If it makes the same journey it gets the grant. We are talking about trucks from 4.5 tonnes to 20 tonnes, and if it makes the same journey it gets the grant.

Senator BROWN (Tasmania) (6.07 p.m.)—The question I put is not for a truck making the same journey; it is for a truck that is gathering paper within the conurbation of Newcastle with a view to delivering that to the recycling facility. Does it get the grant, the same as the woodchip truck does?

Senator KEMP (Victoria—Assistant Treasurer) (6.08 p.m.)—Neither would a woodchip truck if the sole journey were within the conurbation. We are not distinguishing between trucks that carry woodchips and trucks that carry wastepaper. The issue for the 4.5-tonne to 20-tonne trucks is the journey, and whether the journey starts outside the conurbation and finishes inside the conurbation or vice versa. You are actually opposed to any effective cuts in excise, as I understand it. You may well be happy with the current arrangements, but there is a group of us within this parliament that actually thinks it is a good thing to see what we can do to assist people.

I am sure all the truckies will be pleased to know that you think they are all from the big end of town, but you are quite wrong. I do not know whether or not you have met a

truckie; I am not sure how many truckies would want to meet you. The truth of the matter is that a lot of these people are business operators; they are running a small business and they are out there to make a quid. For you to suggest that this grant goes to the big end of town actually misses the point, as you so often do in these debates.

Senator BROWN (Tasmania) (6.09 p.m.)—The question I put to the minister, and I will persist, is: is a woodchip truck bringing its load of woodchips from out of town through the streets of Newcastle to the port for export to the paper mills overseas, and which gets the grant—we have established that from the minister—being treated in the same way as the truck I have described gathering up paper for recycling to go into the paper making process within the city of Newcastle? Or, isn't it true that the woodchip truck is going to get the grant but that the truck gathering up paper for recycling and working within the urban area is not going to get the grant? You are treating them differently; isn't that the case?

Senator KEMP (Victoria—Assistant Treasurer) (6.10 p.m.)—I guess we can repeat ourselves; there is no law against it. A woodchip truck or a truck carrying wastepaper for recycling that starts outside the conurbation—

Senator Brown—You are caught!

Senator KEMP—Yes, but you are persistently asking a loaded question so I am actually giving you a full answer. So a woodchip truck or a truck carrying wastepaper which commences its journey, say, outside the conurbation is treated in exactly the same way. A woodchip truck—and this is for the 4.5-tonne to 20-tonne trucks—whose journey is solely within the conurbation is treated the same way as a wastepaper truck. You are trying to make a distinction and trying to make a point by ignoring the facts and realities.

This does not discriminate. What we are trying to do is provide a significant benefit to rural and regional Australia, to the battlers out there. This will deliver significant benefits to the battlers. Don't you dare hide behind the fact that this is the big corporations. That may make it slightly easier for your conscience, Senator, but you would be missing the point.

These arrangements under the ANTS package will be of benefit to battlers in regional and rural Australia, including those battlers who are driving trucks on these long journeys. So do not try to calm your conscience by trying to wipe this by saying that this all goes to the big end of town, because you would be wrong. It is about time that you showed a bit of consideration, Senator Brown, for the battlers in this country instead of always trying to deny them jobs. This is one of the ways we will be assisting rural and regional Australia, and I suspect it will be without help or thanks from you.

Senator BROWN (Tasmania) (6.13 p.m.)—The minister has, of course, been caught out. What I am putting to him is a real set of circumstances. The woodchip truck does come out of the forests, it does go into the city, it does export its woodchips to Japan and it does get subsidised by the government under this scheme. But the recycling truck that I described does start its journey in the city, it does go around the city streets collecting paper for recycling and it does go to the recycling facility—and does the environment a great turn by doing that—but it gets no subsidy. It is discriminated against yet again under this Democrats-government package.

On the issue of the battlers, the point is that this is a \$3-billion rebate scheme we are talking about and \$2 billion of that is going to the mining corporations, according to government ministers, the minister's own colleagues. A huge slice of the rest will go to transport corporations. In the relative order of things it is small but in terms of forests, and we will be getting on to that shortly, it is the woodchip corporations that will get the big advantage out of this.

The last time I spoke to a group of truckies, at close quarters, they were in my office because this minister's party in Tasmania had stood by while they were sacked by one of these woodchip corporations. I gave them advice about how to try to fight for justice in that unjust situation. Then I read in the paper just a couple of weeks ago that a whole bunch more truckies had been sacked by woodchip corporations, under the regional forest agreement which the Prime Minister signed with

the promise that there would not be any jobs lost. So much for the cant coming from this minister and the government about the battler.

Senator KEMP (Victoria—Assistant Treasurer) (6.15 p.m.)—The rebate scheme is in place now, Senator. We are talking about a grants scheme. You seem to have difficulty getting your mind around that. This is a new scheme; this bill is about the grants scheme and it provides grants for eligible recipients, and we have set out the criteria.

You stand up in this chamber and talk about people who drive woodchip trucks coming to see you—when you basically want to close down the whole industry. That is what you want to do. The truth of the matter is that you want to put them all out of work. Your policy is to put out of work all these people who drive woodchips. That is your policy.

Senator Brown interjecting—

Senator KEMP—That is what you are on about. You pretend that you can speak frankly with these people when you want to put them all out of work. That is what you want to do.

The TEMPORARY CHAIRMAN (Senator Chapman)—Minister, please address your remarks through the chair.

Senator KEMP—Thank you. I have been seriously provoked. Senator Brown stands up here and says he is very upset because people who drive woodchips have been put out of work, but you would have to say that the sole intention of Senator Brown's forest policy over the last decade has been to put every driver who drives woodchips out of work.

Senator Brown—It is going to be a long night.

Senator KEMP—That is exactly your policy. I hope you made it clear to the truck drivers what your real intention was. I hope that you were honest and frank about your own policy and that you were prepared to stand behind your own policy—maybe you were not. Maybe you evinced concern. I think any decent person would evince concern about people who have lost their jobs. But it beggars belief that someone like you—whose guiding principle in this parliament has been to stop woodchip exports, to stop the produc-

tion of woodchips, and to put all these drivers out of work—is able to stand up and say that. Can I make the point: we are talking about a grants scheme; we are not talking about the rebate scheme, which is already there, Senator.

Senator HARRIS (Queensland) (6.18 p.m.)—I would like to seek clarification from the minister in relation to the conurbations. Will they be marked on a radius basis or on a lineal kilometre basis from the GPO?

Senator KEMP (Victoria—Assistant Treasurer) (6.18 p.m.)—I am not trying to be difficult, but in essence the answer is the same as the one I have given to Senator Sherry, and it is the same answer that I have given Senator Conroy. If Senator Brown wants to ask me, I will give him the same answer. We are currently working on the boundaries of the conurbations and, when those boundaries are completed and we are happy with them, they will be released. I hope this will be in a comparatively short period of time. I do not wish to go further than that, but we recognise it is an important issue. We recognise you have a valid interest in this; we do not doubt that. Senator Sherry may have given the impression that once there is a signing off with the stroke of a pen by the Treasurer or the Assistant Treasurer that is it. Of course, these matters come before the chamber as a regulation.

Senator Sherry—I totally object to that.

Senator KEMP—It will be difficult for the Labor Party because it will have to decide on a policy position, and that is not easy for the Labor Party. I understand that.

Senator Coonan interjecting—

Senator KEMP—If you have not had a policy position in years, it becomes very difficult to work out where your policy is and to recognise, as Senator Coonan said, a policy position. We understand the dilemma that Senator Sherry has on all these debates. We have to live with that as Senator Sherry has to live with it. I recognise your interest, Senator Harris, and if you want to have a briefing once we have released these boundary lines, I would be very happy to arrange that for you. I recognise the genuine interest

that you have in this issue. We might not agree all the time, but I recognise your genuine interest. I regret to say I cannot pay the same compliment to Senator Brown, who basically wants to close down much of Australian industry—and I do not agree with that.

Senator BROWN (Tasmania) (6.20 p.m.)—Could the minister say how many jobs have been gained or lost since the regional forest agreement was signed in Tasmania at the start of 1998?

Senator Harris—Mr Temporary Chairman, I raise a point of order. Is the issue that Senator Brown is raising relevant to the bill that we are discussing?

Senator Kemp—On the point of order, I think Senator Harris has made an excellent point. It is nothing to do with the bill.

The TEMPORARY CHAIRMAN—I will uphold the point of order. The issue that is being raised by Senator Brown is not relevant to the matter before the chair.

Senator BROWN—The chair errs in that because we have just had a diatribe from the minister on the matter and I do not intend to be subjected to unequal treatment. But that is not unusual. For Senator Harris's interest, the standing order and the practice of it is to allow the development of an argument before a chair makes such a guillotine of a ruling. I would suggest that he not rely on that ruling for the future of proper debate in this place. Having said that, I would ask the minister if he can inform the chamber what the grant to the forest industry is going to be under this legislation.

Senator KEMP (Victoria—Assistant Treasurer) (6.22 p.m.)—The grant to the forest industry will be the same as for any other eligible journey, provided they drive on a public road. We have not distinguished between the forest industry—which is an important industry—and others. You want to close down the forest industry and toss those Australians out of work. We do not agree with you on it. But I do not want to stray onto your wider policy.

Senator Brown—The Temporary Chairman will let you do almost anything.

Senator KEMP—Seeing as the question was asked in such a polite manner, it would be churlish of me not to respond in a polite manner. Senator, an eligible journey will be entitled to the grant whether it is related to the forest industry or some other industry. Senator, I cannot add more than that, despite the politeness of your question.

Senator SHERRY (Tasmania) (6.24 p.m.)—There are a couple of issues I want to raise. I think we have had a fair debate on this issue so far. I can anticipate—the Labor Party being a positive opposition—

Senator Kemp—Ha, ha!

Senator SHERRY—We can be negative if you want us to be, but at the moment we are attempting to be positive. We would certainly like to see this come to a vote very shortly after the dinner break. There are a couple of points that I want to raise, Senator Kemp, and you might give them some deep thought over your dinner this evening.

Senator Kemp—Over my fish and chips.

Senator SHERRY—If it is fish and chips it is fish and chips. I will just go back to the question that Senator Harris asked about the boundaries. You cannot have estimates, as the government has given, without knowing the boundaries or at least having some fair idea of what the boundaries are, and the minister will not tell us or show us what the boundaries are. Senator Kemp is being very evasive about what these boundaries are going to be. He must have a good idea what they are, to be able to come up with these financial estimates.

I make the point to Senator Harris—as he may not be aware—that we do have the power to disallow the regulations, but it is an all or nothing scenario. We either have to vote them down in total or allow them to pass in total. If the boundaries were included within the legislation, we could amend as it suited us. But we do not have that option under the regulation route. We will look with interest at the boundaries of these so-called urban conurbations.

I want to make a comment about battlers. What concerns me about the Liberal-National approach is that we know that there are

battlers in the trucking industry, but they are not just in rural and regional Australia. I have met and talked to drivers who operate in urban conurbations—in Sydney, Melbourne, Brisbane, the Gold Coast, wherever these boundaries are going to be. I have met couriers and drivers in the trucking industry who operate just in those areas, and they are battlers too, Senator Kemp. So we are going to have the battlers in the bush and rural and regional Australia who are advantaged over the battlers in urban conurbations. That is not treating people in the same business equitably. It is unfair. Senator Kemp, what you are saying is that you care about battlers in rural and regional Australia but you do not care about battlers in the outer suburbs of Australia's large cities, and there are a lot of battlers there.

From reading the press this week and last week, I think a number of your backbenchers from those outer urban areas and those so-called conurbations are getting a little bit nervous about the approach of this government on policy areas. This is a prime example of battlers in one area being assisted—and there is no argument about that—when, in the same industry, people on low incomes, working extraordinary hours, in urban areas are not going to be advantaged. They are in the same industry. In some cases, they will be competing against each other. It is a very competitive industry, as I think anyone who has participated in or listened to this debate knows.

We are just about to come to a close, but there is another point that I want to raise, Senator Kemp: the issue of private roads versus public roads. I understand the legislation applies only to public roads. I would think that there are a lot of journeys in this country where at least part of the journey is on a private road—across a property—and that may form a considerable part of the journey. Again, it depends on how these boundaries are drawn. I do not see a valid reason why the distances travelled on private roads should not be allowed. The minister may be able to give me an answer to that. It just seems to me to be a bit unfair if you have some distance to drive on a private road, and

I am sure we do have those circumstances existing in this country.

Senator KEMP (Victoria—Assistant Treasurer) (6.29 p.m.)—We are aware of this issue. This was an issue that was raised by a number of senators. The government is looking at it. I cannot make any announcement at the moment, but we are aware of the issue.

Senator HARRIS (Queensland) (6.29 p.m.)—In relation to the minister's answer on whether the roads will be marked on a radius basis or a lineal kilometre basis, my reason for raising the issue was just for clarification. Because the formula is based on eligible and ineligible kilometres, drivers need to clearly understand where they are in relation to the boundaries so that they can log their eligible or ineligible kilometres—pre-empting that this legislation will be passed.

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

The TEMPORARY CHAIRMAN (Senator Crowley)—The committee is considering the Diesel and Alternative Fuels Grants Scheme (Administration and Compliance) Bill 1999. The question is that the bill stand as printed.

Senator KEMP (Victoria—Assistant Treasurer) (7.30 p.m.)—Senator Harris asked me some questions before dinner. The point I would make, Senator, is that we are very keen to make sure that compliance is as straightforward as possible. We are not after creating unnecessary complexity. One of the reasons why this is taking time is that we want to make sure the compliance arrangements are straightforward. As I said, you will have to wait until we make the announcement on the boundary issue, but I can assure you that the aim of this is to simplify, not to add complexity. Once the regulations are promulgated, if you want additional briefing, we will be happy to provide that to you.

Senator SHERRY (Tasmania) (7.31 p.m.)—So far as the Labor opposition is concerned, I will just make some concluding remarks with a question or two, which I hope the minister will be able to address. What concerns us about urban conurbations versus

non-urban conurbations is that it requires new boundaries to be drawn. Inevitably, when new boundaries are drawn, there will be anomalies. There will have to be enforcement at those boundary points for obvious reasons. That will have to mean additional regulation, additional bureaucracy and additional cost for the trucking industry in this country. We had some discussion about battlers. We have battlers in rural and regional Australia in the trucking industry; equally, we have battlers in urban areas of Australia in the so-called urban conurbations.

The maps showing the boundaries have not been presented to the Senate. We are asked to trust this government and we have to wait to see the boundaries and the particular problems that those boundaries will throw up. There will certainly be some problems. For example, I have touched on agricultural industries which happen to fall one side or other of the boundary.

It is very disappointing that we have had almost no contribution from the Australian Democrats spokesperson, Senator Greig. As I said, we do not blame him for negotiating this. He was not involved in the process, as I understand. He has to defend it as a representative of the Democrats, the party that did the appalling deal with the Liberal-National Party on the goods and services tax, but he has not even done that. He has not defended it at all or attempted to explain it. Urban conurbation versus rural and regional was the Democrats' idea, as we understand it. He has not attempted to explain in any detail what was meant by this approach. Those aspects have been disappointing to us.

We have not had satisfactory explanations about the costings and the basis for those costings. We will be supporting this bill. We do not accept the government's assurances that prices in the bush are going to go down and that the price of goods and services will drop. We have had recent examples of the Prime Minister backing away from his assurances with respect to motor vehicles, for example. We were told in the lead-up to the last election that motor vehicle prices would go down by an average of \$3,000, and the Prime Minister is backing away from that

rapidly. There is a range of other areas with respect to the goods and services tax. This week the Senate will be expected to pass a total of over 1,000 amendments to the goods and services tax package. Presumably there are at least 1,000 errors that need to be rectified. Very shortly, we will be passing on to the next piece of legislation, which the government has described as a mistake. We will make some comments on that legislation when we get to it.

The range of explanations and responses from the minister—and when he has not been here, his representative, the parliamentary secretary, Senator Ian Campbell—has not been particularly satisfactory. I think we raised quite legitimate questions on behalf of the trucking industry in this country, which will have to put up with the enforcement procedures, increased bureaucracy and some of the uncertainties that will arise as a result of the boundaries and the additional cost that will flow through.

There are two matters that the government may be considering. Firstly, I understand at some time in the past there has been discussion about colour-coding the diesel to try to use that as a basis for some sort of enforcement system. I would be interested to know whether or not you are discussing that in this context. Secondly, is it the government's intention to consider satellite tracking of trucks? That might sound a little absurd to some people, but I know in the fishing industry satellite tracking technology is used with respect to the location of fishing vessels.

I will conclude my remarks there and hope that we get some reasonably satisfactory answers to the new questions I have raised. That concludes the Labor Party's remarks on this legislation.

Senator KEMP (Victoria—Assistant Treasurer) (7.37 p.m.)—In relation to colour coding and satellite tracking, the government is not planning these sorts of changes at this stage.

Bill agreed to.

TAXATION LAWS AMENDMENT BILL
(No. 9) 1999

The bill.

Senator BROWN (Tasmania) (7.38 p.m.)—by leave—I move amendments Nos 1, 2, 3, 4, 5, 6, 7 and 8:

- (1) Schedule 1, page 3 (after line 4), before item 1, insert:

1A Subsection 164(1)

Omit "subsections (2)", insert "subsections (2), (2A)".

- (2) Schedule 1, page 3 (after line 4), after item 1A, insert:

1B After subsection 164(2)

Insert:

- (2A) A person is not entitled to be paid diesel fuel rebate, or to retain diesel fuel rebate paid to the person, in respect of diesel fuel purchased by the person for use by the person in a manner referred to in subsection (1) that is specified in the application for that rebate if the person uses the fuel:

(a) in forestry operations in native forest; or

(b) in forestry operations in plantation forest where such forestry operations involve any clearing of native forest.

- (3) Schedule 1, page 3 (after line 6), after item 1, insert:

1C Subsection 164(7)

Insert:

forest means a vegetation community dominated by trees with a projective foliage cover greater than 30%.

- (4) Schedule 1, page 3 (after line 6), after item 1, insert:

1D Subsection 164(7)

Insert:

native forest means forest dominated by tree species native to the locality in which it occurs and where natural regeneration processes operate either fully or in part for recovery of canopy structure following natural or artificial disturbance.

- (5) Schedule 1, page 3 (after line 6), after item 1, insert:

1E Subsection 164(7)

Insert:

plantation means an area of trees planted and managed in an agricultural context for purposes including wood production

- (6) Schedule 1, page 3 (after line 7), before item 2, insert:

1F Subsection 78A(1)

Omit "subsections (2)", insert "subsections (2), (2A)".

- (7) Schedule 1, page 3 (after line 7), before item 2, insert:

1G After subsection 78A(2)

Insert:

(2A) A person is not entitled to be paid diesel fuel rebate, or to retain diesel fuel rebate paid to the person, in respect of diesel fuel purchased by the person for use by the person in a manner referred to in subsection (1) that is specified in the application for that rebate if the person uses the fuel:

- (a) in forestry operations in native forest; or
- (b) in forestry operations in plantation forest where such forestry operations involve any clearing of native forest.

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

2A Subsection 78A(7)

Omit "*mining operations*", substitute: "*forest, native forest, mining operations, plantation*".

The purpose of the amendments is to remove the inherent subsidy from the logging of native forests. Before I get on to the terminology of the legislation itself, I ask the minister whether he would look at the Prime Minister's letter to Senator Meg Lees of 28 May this year, which consummated the agreement on the GST and, therefore, the diesel fuel rebate grant package, as he might like to label this piece. At page 7, under the heading 'Off-road diesel and light fuels', it states—and these are the Prime Minister's words—'The extension to the off-road concession for diesel and like fuels will be not for forestry'. I have shortened that sentence. Is that the minister's understanding of the agreement? What was meant by the Prime Minister, other than that this concession would not be for forestry?

Senator KEMP (Victoria—Assistant Treasurer) (7.40 p.m.)—My understanding is that every sector which currently received a rebate will remain entitled to that without any detriment.

Senator Murphy—How did you get it so horribly wrong?

Senator KEMP—Senator Murphy, you are better at fly-fishing.

Senator BROWN (Tasmania) (7.41 p.m.)—So the intention of the Prime Minister, in saying that the extension of the off-road concession for diesel does not apply to forestry, meant that, as far as forestry was concerned, there would be no change?

Senator KEMP (Victoria—Assistant Treasurer) (7.41 p.m.)—I think I have made myself clear. The intention was that anyone who receives a rebate under the current scheme would continue to get it as a result of these changes.

Senator BROWN (Tasmania) (7.42 p.m.)—But the Prime Minister says that the changes did not include forestry. It is there in black and white, is it not?

Senator KEMP (Victoria—Assistant Treasurer) (7.42 p.m.)—My remarks are entirely consistent with that.

Senator BROWN (Tasmania) (7.42 p.m.)—You agree then that the changes to the diesel fuel rebate scheme were not to include off-road uses in forestry, as the Prime Minister stated?

Senator KEMP (Victoria—Assistant Treasurer) (7.43 p.m.)—The point was not to extend the benefit, but they were not to remove any benefit.

Senator BROWN (Tasmania) (7.43 p.m.)—So there is no change, Madam Chair. I know that you would agree with that. This means that Senator Allison, for the Democrats, was interpreting the Prime Minister correctly. I am asking for a response from the minister. In this place in September she said:

Senator Brown keeps claiming that the woodchippers will be advantaged by this bill. What he fails to notice is that the Democrats woodchipping clause denies an extra 8c a litre to forestry operations.

So she is right. What she said is consistent with what the Prime Minister had to say. Is that the case?

Senator KEMP (Victoria—Assistant Treasurer) (7.44 p.m.)—I am speaking on behalf of the government. What is referred to here is the extension to the off-road concession for diesel and like fuels to be limited,

providing full credits for marine use, bush nursing hospitals, nursing homes, aged persons homes and private residences, but not for construction, power generation, manufacturing or forestry. It is not extending it. We are not extending the benefit. We are maintaining the benefit. The operative word, as I understand it, is the word 'extension'. There was no intention to remove a benefit.

Senator Murphy—Why don't you read the background to the bill and the report then?

Senator KEMP—Senator Murphy, you probably had a good dinner. Good on you. You are a world champion in fly-fishing.

Senator Murphy—If you want to be personal about it, be personal. But it would be more pertinent to the chamber if you addressed the questions you were asked.

Senator KEMP—You should not be calling out when you are seated. You should not be creating a scene in the chamber. Quite rightly, I have drawn the Chair's attention to this unruly behaviour by Senator Murphy.

The TEMPORARY CHAIRMAN (Senator Crowley)—I am trying not to make a judgment about this, Minister, but I suggest that the way you spoke across the chamber to the senator was close to unparliamentary. Would you like to return to the matter under discussion.

Senator KEMP—Thank you, Madam Temporary Chairman, for your advice. Were you worried that your colleague called out across the chamber while I was providing an answer?

The TEMPORARY CHAIRMAN—As we know—

Senator KEMP—Just for the record, I want to see whether you were or not. The silence is golden.

The TEMPORARY CHAIRMAN—Minister, I think it is not a good idea to ascribe motive to anybody, particularly not the Chair. I was about to speak when you interrupted me. All shouting across the chamber is unparliamentary. Would you care to attend to the matter under discussion, Minister.

Senator KEMP—Thank you. I take it that that was an oblique pat on the wrist for Senator Murphy. It was very oblique. We are talking here about an extension. The operative word, as I understand it, is 'extension'. It is not 'removal'. It is adding to a benefit, not removing any benefit. That is the context in which it is read. Others can speak for themselves. That is the way I read the section of the letter which Senator Brown is referring to.

Senator BROWN (Tasmania) (7.46 p.m.)—Could the minister say how bush nursing homes and marine use, for example, got the extension but forestry did not? What was the difference?

Senator KEMP (Victoria—Assistant Treasurer) (7.46 p.m.)—An inadvertent consequence of the passage of the overall package of amendments to the modified ANTS diesel fuel rebate scheme is that forestry and timber processing would have been required to pay approximately 8c per litre more for the off-road use of fuel than other agricultural industries. The intention of the government was always that these industries would receive the same rebate amount. This is perfectly consistent. The amendment contained in this bill ensures that this commitment is kept. This is not an extension. This is preserving a benefit which existed. This is entirely consistent. If you are trying to construct an argument around this, I do not believe that any fair reading of what was said and what was intended justifies it.

Senator BROWN (Tasmania) (7.47 p.m.)—So what did the Prime Minister mean when he said that there would be a difference between marine use and bush nursing homes and forestry? Can you give an answer in terms of the cost of diesel to those different alternatives that he specified?

Senator KEMP (Victoria—Assistant Treasurer) (7.47 p.m.)—There is no extension of the benefit to forestry. You need to understand that. Perhaps it is my failure to explain this clearly to you. We are not seeking to add a new benefit to forestry. My understanding—my advisers also tell me this—is that we are trying to avoid an inadvertent effect of the bill where a particular benefit was removed from forestry. We are not extending a benefit

to forestry. As I have said, the intention of the government was always that these industries would receive the same rebate amount. The amendment contained in this bill ensures that this commitment is kept. Frankly, I do not see an inconsistency. There was a benefit to the timber industry. This bill does not add to the benefit of the timber industry. Inadvertently, given the way the bill was drafted, this benefit was removed. All we are trying to do with this amendment is restore the former status quo. This seems to me entirely consistent.

Senator BROWN (Tasmania) (7.49 p.m.)—And that benefit did not pertain to the marine industry, for example, which is mentioned in the Prime Minister's statement?

Senator KEMP (Victoria—Assistant Treasurer) (7.49 p.m.)—No, that benefit did not extend to the marine industry. But it does now.

Senator BROWN (Tasmania) (7.49 p.m.)—We move to the statements, then, by your colleagues in this arrangement, the Democrats. As I read a little earlier, Senator Allison told the Senate that the forestry industries were not protected from an 8c per litre impost. Do you understand what she was talking about at that time? Can you say what that 8c is? Senator Lees referred to it as well. In response to them, Mr Tuckey, the Minister for Forestry and Conservation, referred to it as well. What is the 8c that they are talking about?

Senator KEMP (Victoria—Assistant Treasurer) (7.50 p.m.)—I do not speak for the Democrats. The Democrats are perfectly able and more than competent to do so.

Senator Sherry—You did a deal with them.

Senator Murphy—Conned them. It wasn't a deal; it was a con.

The TEMPORARY CHAIRMAN (**Senator Crowley**)—Minister, have you finished your remarks?

Senator KEMP—No. I was just waiting for you to call Senator Murphy to order. You were very fast on the draw, Madam Temporary Chairman, to correct me. I was wondering whether that speed is to continue now. Apparently, it is not.

The TEMPORARY CHAIRMAN—You have the call, Minister.

Senator KEMP—Thank you, Madam Temporary Chairman. I wanted to check that we were all in order. As I said, the Democrats will speak for themselves. I do not speak for the Democrats.

Senator Sherry—They won't speak.

Senator Murphy—Silence is golden.

Senator KEMP—Here we go again.

Senator Sherry—What are you sitting down for?

Senator KEMP—I am waiting for the Chair to bring some order to the parliament.

The TEMPORARY CHAIRMAN—You have the call, Minister.

Senator KEMP—You are certainly imposing authority on the chamber, Madam Temporary Chairman! Perhaps I will go through this again.

An inadvertent consequence of the passage of the overall package of amendments for the modified ANTS Diesel Fuel Rebate Scheme is that the forestry and timber processing industries would have been required to pay approximately 8c per litre more for off-road use of fuel than other agricultural industries. That would have been the effect. In other words, a benefit which had existed for the forest industries was inadvertently removed.

Senator Murphy interjecting—

Senator KEMP—Madam Temporary Chair, it is a bit hard to continue while there is relentless harassment from Senator Murphy. I do not know whether I can encourage you to take any action against your colleague, but I just make that point.

The TEMPORARY CHAIRMAN (**Senator Crowley**)—I encourage you to be brave, Minister.

Senator KEMP—You are certainly exercising authority from the chair in a way we have not seen for a while! They would have been required to pay approximately 8c per litre more. It seems to me everyone else is nodding in agreement. My advisers are nodding in agreement. Senator Sherry's advisers are nodding in agreement. It must surely be right

if Senator Sherry's advisers are nodding in agreement.

Senator Murphy interjecting—

Senator KEMP—Dear, oh, dear! Thank you again, Madam Temporary Chair, for that exercise in authority! We are restoring the status quo as it then was. We are not extending a benefit. We are restoring the status quo as it existed and which the original bill inadvertently removed. We are not extending the scheme. We are restoring the status quo as it then was, because of an inadvertent drafting error. That is what has happened.

Senator SHERRY (Tasmania) (7.54 p.m.)—Sorry to interrupt, Senator Brown. I want to make a point about this issue, because it is very important. I take exception to Senator Kemp describing this as 'inadvertent'. It clearly was not. For the public record, the minister knows that the press release by the Prime Minister on 31 May 1999, following the negotiations with the Democrats, said:

The extension to the off-road concession for diesel and like fuels will be limited to providing full credits for marine use, bush nursing homes, hospitals, nursing homes, aged persons homes and private residences, but not for construction, power generation, manufacturing or forestry. The proposed full credit for mining currently accessing the DFRS will be maintained.

End of quote. Frankly, that is end of story. That is the position the Liberal-National Party agreed. Senator Kemp, I assume you saw this document. Your government agreed to that position; that is, take out the forest industry. If we had any doubt about that, we could look at Deputy Prime Minister Anderson's comments when he commenced the second speech. It was not a press release; it was a second reading speech. He stated that the bill:

... implements changes to the Diesel Fuel Rebate scheme agreed with the Australian Democrats as part of the package of environmental measures that will now accompany the introduction of the new tax system on 1 July 2000.

We then had Senator Greig at the Senate Economics Legislation Committee which considered this legislation. Page E24 of the *Hansard* record reads:

Senator GREIG—I have some sympathy for these guys from the ATO. They are not in a

position to answer that. But, as far as the Democrats are concerned, the position is not unclear.

Senator CONROY—So, is forestry in or out?

This is in reference to the diesel fuel rebate. The discussion continued:

Senator GREIG—It is out.

Senator CONROY—Doesn't this bill put it back in?

Senator GREIG—It does.

So we have a position where the Prime Minister and the Deputy Prime Minister clearly and explicitly agreed to delete the forest industries from benefits relating to the diesel fuel rebate. Senator Kemp would have the Senate chamber believe that this was inadvertent. It clearly was not inadvertent. It was a deliberate part of the package that they signed up to with the Democrats to exclude the forest industries. That is fact. It is very clear. It is on the public record. I do not think we have got a clearer record of what the facts are.

So it is totally wrong for the minister to describe the legislation we are now considering that puts the forest industries back under the diesel fuel concession as 'a mistake', or 'an oversight' or 'inadvertent'. The minister is just misleading the chamber and he knows it. We take exception to that. We should not be in the mess we are in on the diesel fuel rebate in respect of the forest industry. This has caused a lot of uncertainty in forest industries. In my home state of Tasmania there was great concern. As I said last week, Senator Brown and I have a very different perspective on the world in respect of forest industries. But we have always known Senator Brown's position.

Senator Kemp—So you aren't supporting it?

Senator SHERRY—We are not going to support his amendments, and I will make some comments about that at the appropriate time. We have always known Senator Brown's position, but the Democrats waxed lyrical and made triumphant claims about the environmental credentials that they had in negotiating this package. The Democrats claimed, on the one hand, that the GST was a great environmental package. It was not, but

they claimed that. And yet here you have a clear example of this government welshing on the agreement. Nothing could be clearer. Why are the Australian Democrats supporting the GST package? If excluding forest industries from the diesel fuel rebate was so important, so critical for the environment and part of your grand negotiations, why have you allowed the government to do this? Why have you allowed the government to go back on their word? That is what you are doing.

You can pull the rug from under them. You can say, 'It was part of the GST package; put it back in or else.' But you are not doing that. I have not seen any critical public comments by you or other Democrat spokespersons on this issue. You sit down and you negotiate. I do not agree with the deal you reached with the government, but you sit down, you sign off, you negotiate in good faith. If it is not delivered, you say, 'Well, you have walked away. We are not going to vote for this GST package.'

That is my understanding of negotiations. If you do not deliver on the detail, you do not have a deal. The Democrats are being played for suckers on this issue. The government knows that Labor will support, as we always have done, forest industries and making sure that the diesel fuel rebate covers forest industries. The Liberals know our position. So they know this is going to pass, Senator Greig. They are playing you for suckers. I think it is a sorry day for the Democrats. There is still legislation to consider on the GST package. You can still say to the government, 'Deliver or else.' You are not prepared to do that. I think that is duplicitous. You are just going along with a breach of the deal and the agreement.

They are the points I wanted to make. I am sorry to interrupt Senator Brown. I do not agree with some of his comments about forest industries, but on the points of principle Senator Brown is quite correct about what has happened. I will make some pertinent comments on Senator Brown's amendments a little later in the debate.

Senator BROWN (Tasmania) (8.02 p.m.)—What we are coming to here is the fact of the matter—that advantages were given to other

off-road industries by the deal signed between Senator Meg Lees and the Prime Minister, John Howard, specifically excluding off-road forestry uses. Then that became known, and the government moved to turn it around to give that advantage to forestry as well, so that they would not be disadvantaged. The difference is between a rebate of 35c per litre and 43c. That is where the 8c comes from.

Basically what we are doing here is catching up and giving a rebate of 43c instead of 35c. That was not there, because the Prime Minister and the Leader of the Democrats, Senator Lees, specifically excluded it in their pact of 28 May. The Leader of the Democrats asserted that a number of times in the public debate following. In fact, on 29 June Senator Lees, attacking me, said:

In this bill we have increased the costs for forestry by 8c a litre. It is probably not something that we should point out to the National Party, but there it is, and that is what we have done in this legislation. So for him—

that is, me—

to stand up here yet again and react to anything we try to do on the environment with his incessant undermining and incessant complaining is appalling.

Who is appalling? With a whimper, the Democrats have allowed the Prime Minister to welsh on a deal that they signed up to. They are going to vote against this measure in here, knowing that Labor is supporting it and therefore there is going to be no change. That is a very base form of politics.

The fact is that the industry was quite chuffed when it got the turnaround. The National Association of Forest Industries, in its press release on 2 September, said:

The industry is grateful to Mr Tuckey for pursuing vigorously this rectification of a mistake, the benefit of which will be felt by forestry operators in regional Australia.

That is as may be, but what we have is a statement of principle by the Democrats, viewed then as a mistake by the government under industry pressure, and a total turnaround, a breach of the agreement not just by Prime Minister Howard but by Democrat leader Senator Lees herself. She has not said one word in defence of that change. Last week, at the end of the debate on this matter,

I asked that Senator Lees come into this committee and explain this change. She has not. Senator Allison is missing. So it is left to Senator Greig, who was not there to put his signature on the agreement with the Prime Minister.

What we have is a clear case of the Democrat leadership not having the gumption to stand by an agreement which just a few short months ago they were beating their chests about as a means of scoring political points. They know that this will not be reported. Forestry issues in the main will not be reported by the press gallery. So they know that they can stay in their rooms, ignore this major change on a matter of principle, as they put it in May and June, and get away with it. And there is nothing to be done about that except to record it.

I hear in the last 24 hours another member of the Democrats is talking about their meeting a need to change another piece of legislation to protect people who might be taxed on lamington drives. It has been obvious for years—at least two years—that that tax was going to be in place. Did the Democrats at any stage in their discussions with the Prime Minister say charities should be protected? No, they did not. But now the heat is applied, they are going to renege.

They are going to try to appear as if they have been the protectors of the public interest, just as they were doing a while ago over forestry. On that occasion the loggers moved in, Mr Tuckey moved in and the Democrats caved. On this occasion they will be quite happy to change again an agreement they made, because they are not prepared to stand with that agreement. But it is there in black and white and nothing is going to change that, I guess. It just means that there has been a change in the political landscape in this place. The members of the opposition are quite right in pointing to that as well.

It is a pretty poor sign that, on a matter as important as this, the leadership of the Democrats cannot come down and say, 'We did not make a mistake, because we at the time pointed out that this was a win for us. What we have done in the meantime is quietly cave in on the environment'—and of all things on

the forest environment—'over which we have been marching in the streets and protesting in years gone by. We are now going to support legislation which is going to subsidise the bulldozers at work in the wild forests of Australia, and we are not going to say a word about it.' That is the difference.

The other question I put to the minister is the one on agriculture. He says that this is simply ensuring that forestry as an agricultural industry gets the same benefits as the rest of the agricultural industry. I ask the minister this: is the logging of wilderness forests, which have never been touched before by any industry, agriculture?

Senator KEMP (Victoria—Assistant Treasurer) (8.09 p.m.)—We are seeking to maintain the status quo. You do not happen to like us maintaining the status quo; we understand this.

Senator Murphy—Was that your position all the time? Oh, if you are going to sit down, I will stand up and ask a question.

Senator KEMP—I am waiting for you to shut up, actually, so I can respond in a serious manner to the issue raised by Senator Brown. I have this old-fashioned view that the chair might like to take some action against you, Senator, when you constantly stand up and make an oaf of yourself, but apparently that is not the case.

Senator Brown, we are coming from different positions on this. That is the truth. We want to have a sensible arrangement in place to protect native forests in order to ensure there is a sustainable forest industry. You are not supportive of that; you have a different viewpoint. This is a debate that can go on forever. The point I am making to you is that we are seeking to maintain the status quo; we are not seeking to give an additional advantage. Senator Sherry did not like the use of the word 'inadvertent'; I am sorry, but I do not agree with Senator Sherry. He can have his view; I think he is wrong. Not surprisingly, I think I am right.

I am not attempting to mislead the chamber; I am putting the government's position to it. Senators may not agree with that, but that is the position the government takes. We believe

that is sustained by what has occurred. There will be no extension for forestry activities, and the original amendment reduced the amount of the rebate. This bill simply restores the rebate for forestry. You can concoct a significant conspiracy if you wish, but it has no basis in fact. This was an inadvertent error and now it is being rectified, and we hope the chamber will pass it.

I am encouraged that Senator Sherry has fixed on a policy position. That is what we want to encourage the Labor Party to do: get a few policies and get used to getting out and advocating a few policies. We never mind if the Labor Party supports our policy position. We think this is a good policy, actually.

Senator Sherry—This was ours! You are the ones who changed your position.

Senator KEMP—We can have a debate about that, but the point is that it is not worth repeating what I have said to you and what I understand the position to be. It is a position that you do not agree with and we will just have to differ on that. We will not be supporting the amendments you have moved. I do not know whether you will get support around the chamber, but we will not be supporting those amendments. We are not extending a benefit to the forest industry; we are restoring the status quo as it existed.

Senator BROWN (Tasmania) (8.13 p.m.)—The question I asked the minister, as you would have heard, Madam Temporary Chairman, was: is logging of wilderness forests agriculture? I repeat that question.

While the minister is getting advice on that, I refer him to Senator Allison's statement on 29 June. She had carriage of this matter for the Democrats, in support of the government. She said:

Senator Brown keeps claiming that the woodchippers will be advantaged by this bill. What he fails to notice is that the Democrats woodchipping clause denies an extra 8c a litre to forestry operations.

Far from this being an oversight or a mistake or inadvertent or anything of that kind, Senator Allison went on to say:

The forests are finally distinguished from agriculture.

Quite separate. That is the understanding between the government and the Democrats. That is why the Prime Minister singled forestry out as not getting the extra 8c in the first place. That is why Senator Allison added:

Off-road use of diesel for forestry will be capped at 35c which is what they get now.

I am not going to push the minister into ducking and weaving on this, because we will not get a straight answer, but there it is on the record. There was an agreement between the Prime Minister and the Democrats. The Prime Minister acknowledged that in his statement. He changed, and now the Democrats in effect are changing too. We are not going to get an answer to the question about wilderness forest logging being agriculture because the minister cannot give a straight answer to that question.

Senator MURPHY (Tasmania) (8.15 p.m.)—Minister, I tried to ask you this question but you would not answer because you perceived it to be an interjection. I think it is an important question, and Senator Brown has been pursuing it very well and I think accurately. The Prime Minister's letter to the Leader of the Australian Democrats I think makes it fairly clear. My question, how did you get it so wrong, is relevant. You say that the government's position did not change; it was always the same. It never intended to commit to the Democrats to not allow the forest industry access to the additional 8c a litre. I think that is fairly clear in the Prime Minister's letter, as has been pointed out by Senator Brown. What is interesting in the Prime Minister's letter is that in the second-last paragraph of the letter he says:

Moreover, the offer is subject to the Democrats supporting the funding arrangements and any consequential amendments necessary to implement this package.

The package is the ANTS package. Either you and the Prime Minister are attempting to mislead us, maybe inadvertently, or the Democrats have been conned into an arrangement that they never wanted.

I say that on this basis. We have the report of the Economics Legislation Committee on the consideration of legislation referred to the committee, the Taxation Laws Amendment

Bill (No. 9) 1999, a report signed by the chairman of the Economics Legislation Committee, Senator Gibson, who is a government member. But if we go to the back of the report we find a minority report signed by the Australian Democrats which says:

After careful consideration of the evidence before the Committee on this bill, the Australian Democrats are still of the view that it should be opposed. We urge the Labor Party to oppose it also.

The Democrats know what our position was with respect to the GST. We went through this exercise where the Democrats reached an agreement with the government to pass the GST legislation lock, stock and barrel subject to a set of arrangements, one of which was the Diesel Fuel Rebate Scheme in respect of forestry.

Senator Brown has pointed out from the *Hansard* record the statements that were made by Senator Lees and Senator Allison on a number of occasions which are a total contradiction of what you, Minister, have been saying here for the last almost 50 minutes. With the greatest of respect to you, what you have said would seem to be a contradiction of what your Prime Minister has said. You have been saying, 'Look, we never intended for the status quo to change,' but the proposal before us in terms of amendment bill No. 9 does change the status quo. From the Labor Party point of view we do not oppose that, but what we are very interested in, and certainly I am very interested in, is how we get your story to fit with the Democrat story; how we get your position to fit with their position.

As Senator Brown rightly points out, why isn't Senator Lees or Senator Allison—or indeed Senator Murray, who was acknowledged in the Prime Minister's letter—in here to actually discuss and debate this issue? It was part of a deal to support a whole new tax regime that would increase taxation on a whole host of people in this country. Of course, the government proceeded to write the letter, and the Prime Minister very clearly made the point that this would not apply to forestry. This was after some degree of pressure. I have to say that this is where Senator Brown and I might slightly part company. I support the view that the 8c ought

to be paid to the forest industry. But, you see, this is a question of integrity, credibility and honesty on the part of the government and how you treat those people that you negotiate with at the other end of the chamber. The report signed by Senator Gibson says, in the section headed 'Background to the bill':

1.5. The relevant part of the Government/Australian Democrats agreement was to exclude the forest industry from receiving the full diesel rebate. This decision meant that for the first time parity was broken between the various primary production sectors. Consequently, the forest and timber industries pay 8c per litre more for off-road use of fuel than other agricultural industries.

I understand that is exactly the point everybody has been trying to make to you, Senator Kemp, but you have been trying to say, 'Oh, it was inadvertent, a mistake.' I think your Prime Minister and indeed your minister for resources clearly understood the circumstances; I know the Treasurer did. You were desperadoes and to get your ANTS package up per se you signed a letter—or the Prime Minister did on your behalf and on the rest of the government's behalf—that gave a commitment to the Australian Democrats that this would not be the case.

Senator Gibson, the author of the report who was on a committee which has a government majority, has allowed this statement to be made—in the opening paragraphs of the report in a statement of background to the bill—explaining exactly what this bill would have achieved and you, Minister, have now spent 50 minutes trying to tell us, 'No, no, no—not us. We never intended that.' If that is so, I do not know what led the forest industry, NAFI and the Australian forest growers to appear before the committee screaming blue murder that somehow you had duded them, which has subsequently led to you wanting to change it all. On the basis of inadvertency? No, I do not think so, Minister. So the Democrats ought to stand up here and accuse you of misleading this chamber and the government of being dishonest in its negotiations with them, or their credibility will really stand to suffer a lot.

Senator Denman—It already has.

Senator MURPHY—That is probably true, but we should give these people the oppor-

tunity to actually seek to save themselves and redeem themselves in respect of this deal that they did, because there are other aspects of the ANTS package now coming to light which the Democrats also thought that they had locked away.

Senator Sherry—Charities.

Senator MURPHY—Charities being one of them.

Senator Brown—Lamington drives.

Senator MURPHY—And lamington drives—*Dad's Army* will never be the same!

Senator McGauran—Where were you for the RFA vote?

Senator MURPHY—You should go and talk to Jeff Kennett about it, although he is not the Premier any more. I have great difficulty with what the minister has been trying to do here this evening—trying to indicate that somehow this was just a bit of a slip and that the government never intended that the forest industry actually receive less from the Diesel Fuel Rebate Scheme, because that simply is not true.

The minister has just winked at me across the chamber and, Senator Greig, maybe you would like to see that wink again because it really is the wink of a conman, and that is exactly what the government has done to the Democrats—it has conned them into an agreement that is now falling apart. Of course, as was pointed out by Senator Sherry earlier, you could say, 'Let's put the whole thing back on the table.' If your party really wanted to maintain the integrity that your founder proclaimed about keeping the bastards honest, then you ought to get on and try to redeem yourselves from the position you are in.

Senator Kemp—He supports the package, by the way. Bad luck, Shayne, you blew that one.

Senator MURPHY—I do not know about that. Senator Greig does not support this part of the package because he signed a minority report saying that the Democrats oppose it and that we should oppose it. It was a bit late—and I do not know whether he is going to try to lay some blame on us for the circumstances they got themselves into.

Senator Sherry—They should be consistent. Bob Brown has been consistent on this.

Senator MURPHY—That is true, Senator Sherry. Senator Bob Brown has been consistent—at least I will give him that. I do not say that he has been right but he has been consistent.

Senator McGauran—What's the use of that?

Senator MURPHY—I won't even acknowledge that interjection from Jeff Kennett's mate from Victoria, but I do have to say through you, Madam Temporary Chairman, that I really have a great concern with Senator Kemp's attempt to try to explain this away as an inadvertency on the part of the government, because it borders on a misleading of the chamber. I think that ought to be taken very seriously, and certainly it ought to be taken very seriously by Senator Greig, as the sole representative of the Democrats in the chamber.

Senator GREIG (Western Australia) (8.27 p.m.)—The interpretation of the Democrats of this aspect of the ANTS package has always been that the 8c rebate ought not to apply to forestry. Our position on that has not changed. That is why we are here arguing against it and that is why we are here voting against it. The reason for that has always been our abhorrence of logging and woodchipping in native forests, a position from which we have not moved in 22 years. So the question before us now is: what are we going to do with this bill? We are voting against it.

When Senator Sherry was goading me earlier, he said, a bit like Professor Sumner Miller, 'Why is this so? How can this happen?' The answer, Senator, is because Labor is going to vote for it. The Democrats will not be supporting the furtherance of the subsidy of woodchipping and logging of our native forests—we find that abhorrent—but Labor will. That is the reality of the numbers in this chamber—our position has not changed. What is Labor going to do? Labor will support the continued subsidy of and an extended subsidy for the woodchippers and the loggers. We are still here defending the forests; Labor is not.

Senator BROWN (Tasmania) (8.29 p.m.)—I will not accept that for one second. This is the outcome of the breach of an agreement by Prime Minister John Howard, and Senator Greig has just said so, in effect. That breach has occurred over the last five months since, in the glare of national publicity, Senator Lees teamed up with the Prime Minister to sign on to this agreement. Since then, this particular part of the agreement—which was spelled out on page 7—has been changed. In other words, the Prime Minister has reneged.

Have we heard one word from Senator Lees in the public arena about that? Not a whisper. She went totally to water when it came to defending the forest environment. So has Senator Allison; so have the Democrats as a whole. They had enormous leverage to stand by this agreement, but they decided not to use it, because it was more comfortable for them to keep the cosy arrangement with the coalition than it was to stand for the forest environment.

It must have been manna from heaven when they found out, as Senator Greig just said, that Labor were going to support this amendment because they are consistently sticking with the forest industry, particularly in Tasmania. It is a shameful sell-out by the Democrats on the forest environment. This is a subsidy into the fuel tank of every bulldozer at work, every skipper at work and every other piece of diesel driven machinery at work in the wild forest environment.

I am not here, as the government would have it, to end the forest industry. It needs reform; it can be reformed. It ought to be on the plantation basis, because we have enough plantations in this country to meet all our wood needs. But that is not what is at stake here. At stake here is the way the Democrats have gone about allowing the Prime Minister to renege when they had the leverage to stop it. Here was a singular opportunity for the Democrats to stand up for their environmental platform, their own platform, because they had the leverage to do so. That is why they went to the Prime Minister's table. But instead of using that leverage and insisting the Prime Minister stick to his word, they sold out.

We have heard not a word, not a whimper, from the Democrats. Senator Lees is absent from this chamber, absent from this debate and absent from the public arena when it comes to defending her own agreement. It does not matter that that is not going to get covered. The point is that this is a measure of the strength of the Democrats' commitment, first, to the agreement with the Prime Minister, second, to the forest environment and, third, to their own policies. They fail on all three counts. That is what is happening here tonight.

They are going to fail further down the line because, once you start doing that, once you do not have the integrity to stand up for core policies which you claim to have had wins on and you not only go to water but refuse to debate them either in public or in the parliamentary chamber in which you are represented, there is no limit. That is what has happened here tonight. The challenge went out to Senator Lees; she is not here. It ought not to have had to go to her, because she ought to have spoken up in the public arena, but she did not. She has turned her back on the forests when they needed her and when she could have made a difference. I am not the one who says that: she said so herself. She said so in this place, and so did environment spokesperson Senator Allison. They both berated me for saying that they had not stood by the forests back in June and said, 'We have. We've made a difference here.' This fuel rebate is a subsidy to the machines that work in our wild forests. But they are absent tonight. They are not going to come in here, and they are not going to stand by the forests.

Senator SHERRY (Tasmania) (8.34 p.m.)—I should indicate at this stage that we will not be supporting the amendments moved by Senator Brown. I will also briefly indicate the reasons. On the substance of the debate that has occurred to date, you could summarise each party's position as follows. Labor has always held the view that the diesel fuel rebate should apply to forest industries. Those operators who use skippers, generators, bulldozers, cranes, portable sawmillers, chippers, chainsaws and the other range of machinery and forest operations should

receive the diesel fuel rebate. Labor has been very consistent on that. We have never suggested that it should be taken away. By way of example, in my home state of Tasmania, where forestry represents 15 per cent of the economy, this—call it what you like—subsidy or payment represents \$2 million a year to the forest industries. From a personal perspective, I agree—and the Labor Party also agree—that the diesel fuel rebate should apply. That has been Labor's position.

The Liberal Party and the Democrats agreed to take the diesel fuel rebate away from the forest industries as part of the GST deal. The government and Senator Kemp say that it was inadvertent, but it was quite deliberately negotiated. I do not know what the National Party was doing at the time. The National Party allowed the Prime Minister and the Treasurer to negotiate away the diesel fuel rebate for the forest industry in rural and regional areas.

Senator McGauran—We like to ambush!

Senator SHERRY—The problem, Senator McGauran—through you, Mr Temporary Chairman—is that, for some months, this has caused a great deal of uncertainty and worry amongst forest industries and amongst forest workers. You are saying no, but it did. You just have to look at the committee evidence or talk to some of the forest operators who are next door to you in Collins Street in Melbourne. They will explain to you the very nasty impact this is going to have. But the National Party dropped the ball.

The Democrats did a deal to exclude forestry. They walked away from the table. They had signed up to the deal, they had stated it publicly and the government has reneged. We have had nothing from the Democrats other than Senator Greig's comments in here again tonight. The Democrats know the position and appear to be quite relaxed and comfortable to let the government break the deal they signed with them. If someone breaks a deal you apply a sanction, and the sanction is, through you Mr Temporary Chairman to Senator Greig, that you say to the government, 'You are backtracking on part of the package that we negotiated.' But you are not prepared to hold the government accountable, and from

that point of view I am very disappointed in the Democrats. You are not prepared to hold the government accountable to a deal that you signed up to. So you cannot with any credibility claim that you have done what you said you would do: defend the forest industries.

As I say, as a matter of principle and from a policy perspective we do not agree with you on that. You have tried to have it every which way and you have accomplished nothing as a result of what you have tried to do. Senator Brown, as I have said, has been consistent. We have all known Senator Brown's position. Unlike the Democrats, he has been consistent on the principles and issues that he has always been very clear on. That is to his credit, even though I and the Labor Party do not agree with some of those principles that he enunciates. I do not know where One Nation stands on this issue as we have not heard from them to date.

We will not be supporting the amendments. Firstly, as I have said, Labor have always believed that the diesel fuel rebate should apply to the total forest industry. Secondly, Senator Brown is attempting via his amendments to separate plantation forests from native forests so that the diesel fuel rebate would apply to plantation operations but not to native forests. That would create an uneven playing field between the two sectors of the forest industry. Senator Brown is not giving the total picture, of course. Native forests are not all wilderness forests; in fact, only a very small proportion of native forests are wilderness forests. The vast majority of native forest that is logged in this country is regrowth; it has been logged before. To attempt to split it in this way and disadvantage native forest logging over plantation operations is inappropriate. Some logging of some native forests is appropriate. In some areas that is what the RFA process has been all about.

I conclude by saying that there is a real debate emerging now about plantation forestry. Plantation forestry is monoculture. It is growing a crop on a 15- or 20-year cycle. You do not have any diversity of wildlife—of the flora and fauna—in plantation forests. By its very definition it is monoculture. We are starting to see a significant reaction to planta-

tions in Tasmania for those reasons and for others. We do not want this debate to go too late so, from a Labor perspective, we have made the points we need to make. We will not be supporting the amendments, and I am very disappointed in the approach of the Australian Democrats to this matter.

Senator GREIG (Western Australia) (8.40 p.m.)—As we are speaking directly, or ought to be speaking directly, to Senator Brown's amendments, I want to make it very clear that they have the full support of the Australian Democrats. If this vote goes through on the voices we will be supporting the bill. If Senator Brown wishes to call a division, we too will support that and vote for his amendments. At the end of the day, in accordance with our argument on this all along, we will be opposing the bill in total.

Senator SHERRY (Tasmania) (8.41 p.m.)—There was one other point, and I will be very brief. Senator Greig did not object to the second reading of the bill. I do not know why; it may have been because he is a new senator. I just make the point that the Democrats have been all over the shop on this issue, and they should have called for a division at the end of the second reading debate if what he is proposing to do now is call a division on the amendments.

Senator GREIG (Western Australia) (8.41 p.m.)—In response to that question from Senator Sherry I make the point that, as I recall it, when the second reading vote was taken it was confused in the sense that, at that point in time, both the diesel and alternative fuels rebate scheme bill and the TLAB 9 bill were being taken in tandem. It was not possible, therefore, to make a decisive vote on that given that we were supporting one and not the other. But I have subsequently made our position very clear on both bills throughout debate.

Amendments not agreed to.

Bill agreed to.

Bills reported without amendment; report adopted.

Third Reading

Bills (on motion by **Senator Kemp**) read a third time.

A NEW TAX SYSTEM (PAY AS YOU GO) BILL 1999

A NEW TAX SYSTEM (TAX ADMINISTRATION) BILL 1999

A NEW TAX SYSTEM (INDIRECT TAX AND CONSEQUENTIAL AMENDMENTS) BILL 1999

A NEW TAX SYSTEM (INDIRECT TAX AND CONSEQUENTIAL AMENDMENTS) BILL (No. 2) 1999

Second Reading

Debate resumed from 20 September, 12 October and 21 October on motions by **Senator Ian Campbell**:

That these bills be now read a second time.

Senator MURPHY (Tasmania) (8.43 p.m.)—In terms of these bills, we are dealing with more amendments to a package—the ANTS package—that was supposed to have been signed, sealed and delivered and which did all things for all people, for all organisations and for everybody else. But as we saw in the debate on the previous legislation, we had a set of circumstances where the forest industry was going to be treated unequally in terms of the diesel fuel rebate scheme. We have seen a whole raft—I think some 1,100—of amendments proposed for the ANTS package, the latest of which relates to the debacle of the charitable organisations, where we had a position put out on behalf of the government that charitable organisations will be required to support the government's position before they will actually receive their grants.

A number of matters were raised in meetings of the Economics References Committee with respect to A New Tax System (Tax Administration) Bill 1999 and taxation bills No. 8 and No. 9. These included the pay as you go withholding system and PAYG instalments; collection and recovery rules; binding oral advice on income tax matters; payment; the Australian business number and identification verification system; a shorter period of

review for taxpayers with simple tax affairs; endorsement of deductible gift recipients and tax exempt charities—and we now have a clearer view of the government's position on that; administration of the business activity statement obligation; and provisional tax technical correction.

We have seen a whole raft of potential impacts, and I am glad Senator Minchin has just come into the chamber because another matter that has arisen is the impact this package has had on the car industry. We know how many times Senator Minchin—in response to questions from us and in response to dorothy dixers from his own side—has tried to imply that the circumstances in the car industry as a result of the ANTS package are all hunky-dory. He has tried to imply publicly that sales of passenger vehicles are exactly the same as they have been in recent years; in fact on one occasion I think he said that they were even better. I will be very interested to hear what Senator Minchin has to say about the most recent reports.

Senator Kemp, in response to a question today about the car industry—a dorothy dixer from Senator Ferguson—said, 'Look, the November figures were slightly down on last year, but I will check that.' Perhaps Senator Minchin might be able to inform us more accurately of that. More importantly, he ought to be able to inform us about claims that the car industry is now experiencing a 16 per cent downturn—something that we have been pointing out to the government for some time in respect of the impact this package of bills is having. The Ford factory is now in shut-down mode, and, according to an article in the *Financial Review*, the Director of the Motor Traders' Association, Jim Gibbons, said that 'the slowdown had been pronounced since June'. Certainly the minister has been telling us since June that all is well and that things are sailing along. Up until last week, the minister, the Prime Minister and everybody else on the government side were saying that cars were going to be cheaper. What has happened? The Prime Minister all of a sudden has said, 'Oh, well, perhaps they won't be cheaper. Perhaps the poor old punters out there are not going to get cheaper cars.'

Part of this bill deals with the treatment of charities, and it has now been exposed exactly what the circumstances are really going to be for charities. It is very important, in consideration of all of the amendments to the ANTS package, that we take account of all of these things. The government has told us from the outset that nothing would be a problem, that they had worked this out thoroughly, and that there would not be an impact on this and there would not be an impact on that. The chickens are really coming home to roost, and the government has some major problems.

The Democrats—none of whom are currently in the chamber—were the party that helped pass this legislation, and they have sort of disappeared into thin air. We have just had a debate on the diesel fuel rebate scheme and the forest industry. Senator Greig—I do not know if he was even in the Senate when the negotiations took place between Senator Lees and Senator Murray on behalf of the Democrats—has had to sign a minority report saying that they were opposed to the forest industry receiving the additional 8c a litre, when in fact his party leader and the economic spokesman of the party had agreed with the Prime Minister that that would not be the case. They negotiated an arrangement to pass an overall tax package that has problems, for charities and for nursing homes, in terms of imposing an increased tax on the general public of this country. They came in here and championed their participation in and support for the ANTS package as being of great importance. They said they had succeeded in significantly protecting the environment. They said they had achieved a new outcome for the environment, but nothing could be further from the truth.

As this whole package has been unravelling, so has the deal that the Democrats have done with the government. There are some major impacts as a result of this. I know the car industry is important to you, Mr Acting Deputy President, as a senator from South Australia. The minister is a senator from South Australia who has said on many occasions, 'The opposition has it all wrong. Car sales have not slumped. It is all okay. It is all plain sailing. Of course, even if there was a

slight downturn, they will make it up after 1 July 2000, because car prices will go down and all the Mr and Mrs Averages are going to rush out and buy new cars, so things will be really fantastic.'

I note that Senator Ferguson has come into the chamber—another senator from South Australia; and the one who has asked the dorothy dixers of the minister in respect of the car industry and the sales within the car industry. Senator Ferguson might also like to make a contribution about the most recent reports in the newspaper with respect to the slump in passenger car sales. I have made the point to the minister before that the figures that he has used in the past do not actually reflect car sales, that they in fact reflect overall vehicle sales, including Mack trucks. I do not know any families who have a Mack truck to use as their family car. There may be one or two, but I am certainly not aware of any. It would seem to me that they would be fairly expensive to buy in the first place and even more expensive to run. But, of course, the minister wanted to roll all of those, including other trucks and other vehicles, into the overall sale of vehicles. What the minister has failed to address, and what the car industry has been very concerned about, as Mr Gibbons points out, is that since June there has been a marked downturn. That has been a major problem.

We have also had as part of this package of bills the issue that relates to the payment of the new 16c a litre in terms of the new diesel grants scheme and the conurbations in respect of trucks between 4.5 and 20 tonnes.

Senator Jacinta Collins—Are they big trucks?

Senator MURPHY—No. I understand big trucks remain exempt. We may have to consult Senator Macdonald on big trucks. He is not in the chamber at the moment, but he may come in later and tell us a bit more about big trucks. We do not know what the administration process will be for that particular program. Senator Kemp earlier tried to convince us that the Australian Taxation Office—who are so well versed and so expert on the self-assessment process—would have it all worked out and that they would be able to

deal with the problems. But I do not think so. This is the Taxation Office who appeared before the Economics Legislation Committee—who Senator Kemp claims knows it all—and we did not get too good an explanation from them. They said, 'This is a new scheme and it will have its problems,' and they acknowledged problems in the past with the Diesel Fuel Rebate Scheme and its application.

This whole package seems to be unravelling. In terms of the administration of the package, we do not know what the cost to business will be. I cannot recall the figure that the government stated in the package originally, but it was only small. It is now being assessed at something like \$3 billion. All in all, I think the amendments that we are going to deal with during the course of maybe finally passing some sort of legislation will throw into major confusion the businesses of this country, the taxpayers of this country and also transport—in respect of which the National Party thought they got a good deal for the bush. The Victorians did not think too much of the good deal for the bush. The invincible former Premier of Victoria, Jeff Kennett, obviously did not sell your new package or could not sell your new package because the people did not believe it.

Senator McGauran interjecting—

Senator MURPHY—An interjection from Senator McGauran—a Victorian senator; friend of Jeff Kennett.

Senator Jacinta Collins—From the bush.

Senator MURPHY—'From the bush'—I do not know how long ago that was. This National Party senator stood up and championed this so-called deal for the bush that was supposed to be worth so much for the bush. The Victorians realised that it was not so good for the bush, as will be the case around this country as this tax package is implemented. They too will come to realise that all of the claims that the government has made and will endeavour to continue to make about the reduction in costs and the benefits to exporters—and I do not argue, I have to say, about trying to make things better for rural Australia and trying to make things

better for the export industries of this country—

Senator Ferguson—Why do you want to keep the wholesale sales tax?

Senator MURPHY—It is not about keeping the wholesale sales tax system. That is not the argument. If you are going to change something and you say that it is a change for the better, it ought be the case that it is a change for the better. But that is the point: this is not a change for the better, and that is being demonstrated. As we move into the implementation phases of this new tax package, we are seeing more and more on a daily basis that that is the case. We are seeing more and more that this tax package, with all of the claims of the light on the hill, the sunny side of the street—

Senator West—How many amendments are there?

Senator MURPHY—Over 1,000.

Senator Jacinta Collins—This is a simple tax.

Senator MURPHY—I have to disagree with you, Senator; it is not simple.

Senator Jacinta Collins—The Prime Minister said it is simple.

Senator MURPHY—The Prime Minister may have said that it is simple, but it is not a simple tax system. It is becoming more complicated by the day with the amendments that the government is having to get through this parliament to make this new tax system, as has been described—

Senator Heffernan—Did you bring me back a fish?

Senator MURPHY—Good heavens! Senator Heffernan is in the chamber. Where have you been?

Senator Heffernan—I can't clean my fish and you've been away two weeks fishing.

Senator MURPHY—I know you could not clean a fish. Not only could you not clean one; you couldn't catch one.

Senator Heffernan interjecting—

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order, Senator Heffernan!

Senator MURPHY—Thank you, Mr Acting Deputy President. As I said, this whole package is unravelling. The Democrats clearly could not see the problems that were going to be associated with it. They could not even see the con with regard to the Diesel Fuel Rebate Scheme and its application with respect to forestry. I have to acknowledge that I always thought they were a party of integrity, that when they did a deal, if the deal was ratted on, which it was, firstly they would have said to the Prime Minister, 'This is not on.' Then the Leader of the Democrats would have come in here and said, 'The Prime Minister of Australia and the Treasurer have duded us.' They would have said at least that but, as has been pointed out, that simply has not been the case.

I turn to the cheap car claims and the whole process associated with the car industry—and I am pleased that the minister, Senator Minchin, is still here. Over some months now he has made this grand claim that all is well with the car industry and that it is going to continue to be well. It would be useful if you could respond to some of the reports in the paper in an accurate way, in a way that actually deals with the concerns of the car industry.

Senator Heffernan interjecting—

Senator MURPHY—Senator Heffernan could not respond to anything. With regard to charities and business, there is a major concern with the administration processes and the implementation of this overall package. There is nothing wrong if you want to change something. We have always had thrown back at us, 'You just want to keep the wholesale sales tax system.'

Senator Ferguson—And you do.

Senator MURPHY—Whether we do or whether we don't is not necessarily important. What is important is that, if the government and those people opposite who are part of the government want to change laws with respect to tax or anything else in a country, they should endeavour to do so for the better and then they would at least receive some acknowledgment. I understand that we actually helped you get the Ralph business tax reforms through the parliament. (*Time expired*)

Senator FERGUSON (South Australia) (9.04 p.m.)—Senator Murphy's speech has proved one thing; that is, if you go fly-fishing up in the Snowy Mountains for two weeks in clean air, where you can have fresh thoughts, it does nothing to allow you to collect your thoughts so that you can come back here and talk commonsense. Senator Murphy, in the two weeks you have had away, I would have thought you would have had time to at least make a note or two and have some semblance of order in what you were going to say to the chamber tonight. The only thing I found out in the whole of the 20 minutes that you were talking was that there is some chance, after all, that the Labor Party do not like the wholesale sales tax system, because just before you finished speaking you said, 'We might or might not want to keep the wholesale sales tax system.' This is a revelation. I am wondering whether Senator Murphy ought inform Mr Beazley. Certainly Mr Latham would want to know. There just may be a tax policy in the wind, formulated while Senator Murphy was fly-fishing. He probably knows that he paid 22 per cent on his fly-fishing tackle; if it was not 22 per cent, it was probably 32 per cent—I am not sure. The thing that he is really narky about is the fact that he has paid his 32 per cent and, if he had waited a while, he would have had to pay only 10 per cent.

It really is a revelation. After all this time, the Labor Party do not like the wholesale sales tax. Senator Murphy is not sure whether he likes the wholesale sales tax and, in a 20-minute speech, he got to 19 minutes before he made any sort of revelation of what the Labor Party actually believe in.

I can tell you what the Labor Party really believe in. They believe in higher taxes and broken promises. Senator Murphy was not here for the 1993 election. Senator Collins certainly was not. Although it is a fair time ago, I vaguely remember that in the 1993 election the Labor Party promised income tax cuts with no sales tax increases. That was their policy: cut income tax and no sales tax increases.

What did we do after the 1993 election? True to form, the Labor Party broke its

promise, took away the income tax cuts and increased sales taxes. That is the sort of policy you get from the Labor Party. With Senator Murphy coming in here and saying, 'We might or might not want to keep the wholesale sales taxes,' it is about time he went to his party and talked to Mr Latham, Mr Beazley, Mr Crean and all those other people who may have some input into policy—although they obviously have not yet had any input because we are yet to see a policy. Then we might find out what the Labor Party believes in.

This party—the government—has always believed that we require a modern, competitive tax system, something the Labor Party has never heard of—a tax system that provides incentives to save, to invest, to create jobs and to increase living standards. Since this government came to power in 1996, it has delivered all those things. There are more jobs. Living standards are better.

Senator Jacinta Collins interjecting—

Senator FERGUSON—Despite Senator Collins's interjection, her living standards, as well as those of many other people in Australia, are better than they were in 1996. One reason that there are amendments to the bill is that this is a government that consults. It listens to the representations made to it. Since the announcement and the initial passage of the legislation, there has been a lot of consultation. A lot of representations have been made to the government because of certain aspects of this bill. The government has been true to its word. It has said that it wants to have a tax system which is both competitive and does not disadvantage people. So it has been prepared to make the changes that you will see in the amendments in this bill.

We have a situation where the Labor Party is probably the only party left in the OECD countries that thinks that wholesale sales tax is the right way to tax a country today. Senator Murphy is gradually changing that view. I think he knows that it is not nice being the only party out of all the recognised developed countries in the world that actually favours a wholesale sales tax. I think Senator Murphy has a future in the Labor Party. He is showing a bit of foresight, something

nobody else has shown for years and years. It might not be a bad idea if, next time he goes fly-fishing, he takes Mr Crean, Mr Beazley and probably even Senator Quirke—although Senator Quirke is much better at some other sports than fly-fishing—up there to get a bit of the fresh air that he got. They may actually change their view and show enough foresight to realise that, when you are the only party in the recognised developed countries of the world that thinks that a wholesale sales tax is right for today, it is time to change your mind.

I congratulate Senator Murphy. He has shown in his speech tonight that at least he is someone who has some foresight. Some would say that Mr Latham is the leader of policy in the Labor Party, that he is the only one with any foresight. He is the sort of person who might lead the Labor Party into the next millennium because at least he has some modern ideas. But now we have Senator Murphy as well. Between the two of them, there is a chance that we might reinvigorate the Labor Party and have a bit of a resurgence of policy ideas. Quite honestly, they are not going to have too much difficulty because currently they are working in a policy vacuum. There are no policies. Senator Murphy, once again, I congratulate you.

Senator Murphy raised a number of issues in his speech. One was the car industry. Senator Murphy comes from Tasmania. The car industry is not all that prominent in Tasmania, so I do not expect him to have had a lot of talks with people involved in the car making industry in Australia. But I can tell you that the government has. The government is in constant contact with the car industry.

Senator Jacinta Collins—With the Tasmanian car industry?

Senator FERGUSON—Not with the Tasmanian car industry, I promise you, Senator Collins. In Tasmania they tend to cart cars over there and cart them back. This government is in constant contact with the car making industry in South Australia. They know that this minister and the rest of the cabinet recognise that the car industry is very important to Australia. They are monitoring closely what is happening with car sales

throughout Australia. The point that Senator Murphy does not seem to be able to grasp is that car sales in Australia are at their second highest level on record.

Senator Murphy—That is not true.

Senator FERGUSON—It is true, Senator Murphy. I do not know what papers you were reading when you were fly-fishing, but had you read some of the major dailies you would have found out that the industry had the second highest level of sales on record. I understand that even last month the sales were down about 0.1 per cent on November last year.

Senator Minchin interjecting—

Senator FERGUSON—I am corrected by the minister. The figure was 0.5; not 0.1. Car sales are down 0.5 per cent on the record levels of last year. Senator Murphy probably does quite a few miles in the car that he drives. If he were to order himself a new Holden, he would have to wait over five months to get it. That does not sound to me like a car industry that is in trouble. If you wanted a Holden, you would have to wait five months. I think that all the figures that Senator Murphy tries to bandy about concerning the car industry—

Senator Murphy interjecting—

Senator FERGUSON—I bet you cannot buy one tomorrow. You certainly will not get one through DASfleet tomorrow, I can tell you that. You will have to wait five months. With Fords, the wait is about three months. It is a bit less for Fords. If you want a Holden, it is five months. The car industry is being closely monitored. This government has watched what is happening. When you have an industry that is having its second best year on record, you can hardly say that it is in crisis.

Senator Murphy also spoke about rural Australia. He said that he understood all about rural Australia. He understands a lot about rural Australia because it is pretty hard to go fly-fishing in the cities. Most of the time that Senator Murphy goes fly-fishing, he has to go into the country. He goes to very pretty places. He says he understands a lot about rural Australia, but he does not understand how much rural Australia welcomes the new

tax policy of this government. There is scarcely a person—I use the word ‘person’ carefully—who does not believe that the wholesale sales tax system that we had was totally out of date and was hindering production. It hindered exports. The sales tax that was in-built into the cost of exports impinged on the cost of the goods that could be exported. They were built into the product and there was no way they could be removed.

This is the first tax system that has ever been given to Australia where it is possible to remove that cost impediment to exporters and rural producers. I do not know of a rural producer yet who says that he does not want the wholesale sales tax system removed and replaced by the goods and services tax. The exporters of Australia are very pleased that we are doing what we are.

Senator Murphy mentioned Mr Kennett at one stage. I am not sure how Mr Kennett got involved. To the best of my knowledge, he had no input into these bills that are going through the parliament or the changes that are being made. Senator Murphy said that he did not mind things changing as long as they represented a change for the better. He has proved that. He has changed his thinking. He is now considering the removal of the wholesale sales tax. That is the first piece of good news for years. That might be a change for the better in his thinking. If he can convince his party to do the same thing and to support the removal of sales tax, that is a change for the better. I quite understand why he thinks that it would be a change for the better.

The Labor Party is tied to an antiquated, unfair and complex tax system. It supports the current system that taxes exports and business inputs. Senator Murphy is in favour of a tax system that taxes exports and taxes the inputs of business. Find me any businessman or exporter who does not believe that those inputs taxes should be removed and I will be very pleased. I would sit and listen very carefully while they explained to me how they would be better off if we did not remove the costs on their business inputs. You will not find one.

Senator Murphy—You name one.

Senator FERGUSON—Senator Murphy interjects that I should name one. I have asked him to find one. I want him to find just one person who does not want those business inputs and the taxes on exports removed. As someone who has lived all his life in the country, I know that we are far better off without any of those taxes on exports or business inputs.

The Labor Party opposed our tax reform plan, which includes the broad-based consumption tax. We went to the election with it. The people voted for it. They said that this is the plan they want. Otherwise they would have voted Senator Murphy in. They wanted a reduction in marginal income tax rates. We have done all those things, yet after all that time the Labor Party has no plan of its own, except Senator Murphy’s slight move towards the removal of the wholesale sales taxes. I hope that he gets reported, because he is the first Labor Party man that I have actually heard say on the public record that it might be a good idea to get rid of the wholesale sales taxes.

Senator Murphy—That’s not what I said.

Senator FERGUSON—I will look carefully at the *Hansard*. I wrote it down exactly when he said it. He said, ‘We might or might not want to keep the wholesale sales tax system.’

The Labor Party opposes any reform of or improvement to the tax system. It opposes anything that is going to give income tax system cuts to middle Australia. It opposes that. It does not want to give any tax relief to those people in Australia who are paying the highest rates at the middle level of income. They are the people who have suddenly gone up to the highest rate of taxation and are earning \$35,000 per year. Senator Murphy may think that a person who earns \$35,000 per year is wealthy. However, they are paying the highest rate of taxation. They are paying the highest rate of marginal income tax at \$35,000. Senator Murphy considers that they are wealthy because he does not want to give them any income tax cuts.

We are a party that believes that people earning between \$35,000 and \$50,000 are not wealthy. In many cases, they are battling just

as hard as a couple with two incomes of a lower level. We have said that it was absolutely imperative that those people got an income tax break. What did the Labor Party say? It was not in favour of that at all. They said that you must not give tax cuts to the wealthy, the people earning \$35,000 per year. They consider them to be wealthy. It is probably less than half of what Senator Murphy gets.

We have always believed that in order to deliver those income tax cuts there had to be a change to the whole taxation system. That is exactly what we did; we reformed the whole taxation system. We have given Australia a competitive taxation system for the next century. The plan was launched in 1998 so that people had plenty of time to consider what we were doing and what plan we proposed. It was passed into law last July so that people had 12 months to know exactly what they were going to be faced with after 1 July 2000.

In drawing that plan together, we made sure that people who needed help would not be affected by the system. We talk about health, education, child care, food, local government rates, water and sewerage charges. All those things will be GST free. People will also receive \$12 billion per year in income tax cuts. This means that 80 per cent of Australians will no longer pay any more than 30 per cent income tax.

This is something that the Labor Party could only ever dream about. Many Labor Party supporters and previous Labor Party supporters believe that the strong point of our taxation plan was that it gave some relief in income tax rates to those on middle incomes. They are the people who have been hurt most by the Labor Party's taxation system, which gave them very high income tax rates and very high wholesale sales tax rates. The Labor Party never talk about the 32 per cent sales tax rates that they were applying to people on the lowest incomes. It was 32 per cent for goods that attracted that rate. There was never an endeavour to make it any easier.

In fact, all they did after 1993 was to put the rates up. They promised they would not put them up. It was a typical Labor Party

election promise: 'We will give you income tax cuts and we won't raise any other taxes.' But, once they were re-elected, what did they do? They forgot all about the income tax cuts. They made sure they were not delivered and put up the sales tax rates. That is the Labor Party's way. That is the Labor policy: no reform whatsoever, stick your head in the sand like an ostrich, hope that everything will just hang together and keep battling away and eventually falling behind the other developed countries in the world.

This government was not prepared to do that. It was not prepared to let the other countries in the developed world get a significant advantage over us. It was not prepared to let our trading competitors have a significant advantage over us because they had no taxes on their business inputs or no taxes on their exports. This government was concerned to make sure that we become as competitive as we possibly can, and we have. We will continue to do so with the introduction of the new tax system next year, when all of those people who are producing goods for export will be able to take advantage of the tax system that this government was prepared to put to the Australian people. It was prepared to put it into practice and it has.

This bill is providing some amendments in order to finetune the package because of representations that have been made to us. This government is a listening government and is prepared to make changes where they are worth while and where they can be proved to be beneficial both to the country and to the people who are making those representations. I am sorry my time has run out and I am sorry Senator Murphy has gone, because he had so many new ideas for the Labor Party. I hope he has gone to see Mr Beazley to give him the benefit of his vision. (*Time expired*)

Senator WEST (New South Wales) (9.24 p.m)—Tonight we are debating another raft of the new tax system, otherwise known as ANTS bills. One of them, A New Tax System (Indirect Tax and Consequential Amendments) Bill 1999, has 255 amendments in its schedule 1, 32 in schedule 2, nine in schedule 3, four in schedule 4—they nearly got that right—10 in schedule 5, 14 in schedule 6, 20

in schedule 7 and 26 in schedule 8. In this one piece of legislation, there are 454 amendments that this government sees it has to make to what was going to be a wonderful and simple law. It is quite apparent that this is not the case.

One of the other bills, A New Tax System (Tax Administration) Bill 1999, is only 223 pages in size! Of course the government got this right—like fun! This government is obviously obsessively ideological.

Senator Jacinta Collins—It's Protestant. Protestants don't have fun.

Senator WEST—Some of us are Protestant and we do, thank you, Senator Collins. It is a pity that Senator Ferguson, when he has his overseas trips, does not talk to some of the Europeans, in particular, about value added taxes or GSTs. Certainly in a recent parliamentary delegation that I led, one of the key things that my colleague Senator Sherry and I were told was that these countries were looking at ways to unravel their VAT—the same as our GST. The government keep saying that we allegedly were the only ones that had a wholesale sales tax while everybody else had a VAT. I had an interesting conversation with the United States congressional delegation which was out this week. They only levy their tax once. The point was made to me by a congressman that you do that so that it makes thing more simple. If you only levy a tax at one stage, the administration is more simple and it is more readily identifiable, instead of happening at every stage.

I am sorry Senator Heffernan has left the chamber tonight, because the issue I want to concentrate on is how the payments to wheat producers from the Australian Wheat Board are going to be handled. It arises from some answers I got to a question I placed on notice, question No. 1697. I placed it on notice on 22 October and it took 39 days to get an answer.

Senator Jacinta Collins—Who was the minister?

Senator WEST—Senator Kemp was the minister. I wanted to know if he could outline the goods and services tax arrangements for loan payments made to wheat producers

through the Australian Wheat Board in lieu of crop sales being finalised. I also wanted to know if the Wheat Board would need to differentiate between domestic and export wheat sales from their pool to determine what sales are subject to GST and what sales are exempt and, if it is determined that the AWB loan payments are GST free, would this exemption extend to other grain growers. As many primary producers are now planning their crop rotations for the next 12 to 18 months, I asked if the Assistant Treasurer could explain what responsibilities primary producers and agricultural marketing boards have under the GST.

The answer is very interesting and I will pursue a number of aspects of it in the committee stage of this bill, because some of it does not make a great deal of sense to me. If what I thought I understood by the GST is correct, then I think there will be many primary producers, particularly wheat growers, out there who will suddenly realise that they have been sold a pup—and a pretty mongrel pup at that—because there are some major implications, I think.

Senator Quirke—Mongrels are nice.

Senator WEST—This one is not, Senator. I think this one is potentially not nice.

Senator Quirke—Son of a fatherless child, is it? It is that kind of mongrel, is it?

Senator WEST—'Not very nice' is all I wish to say. I think the implications for wheat producers and other cereal producers and many primary producers and also other—

Senator Quirke interjecting—

Senator WEST—It is not a laughing matter. It is very serious. There is a problem for these primary producers because it borders on whether their product is actually being exported.

We had Senator Ferguson tell us that taxes on inputs will be removed for those crops and those products that are exported. Let me use a current example. In New South Wales, and I guess in other states, it is the beginning of the wheat harvest time. In the north-west, in some areas—in fact in Mr Anderson's electorate—they have had a lot of rain. The crop has

been downgraded in a number of parts to being fit only for stockfeed wheat.

I am not aware of stockfeed wheat being in any demand on the export market. It is usually sold off at about \$80 a tonne as opposed to \$160 a tonne—those sorts of comparative figures—on the domestic market. From my reading of the answer that I have received and from Senator Ferguson's comment, for any wheat that goes overseas that is prime hard growers are going to receive premium payments—be paid well—and be able to claim the taxes off their inputs and not pay them. But those primary producers whose wheat is weather affected and is classified as stock wheat only and therefore is not able to be exported will have to pay the GST.

Not only will they then be getting less money for their product; they will be having to pay more for their input costs than those who are able to produce for export. It is sheer luck as to whether a storm may have hit their crop and the neighbour's crop might not have got that rain. You could well have, in adjoining paddocks almost, one crop being affected and another one not. The affected crop could well end up getting a lower price to the farmer, but he will not be able to claim his inputs as tax deductions, as opposed to the chap or woman who gets the better crop—gets an export crop—and is able to get a higher price and also claim the tax deductions for their inputs. That does not strike me as being fair. I am led to believe that that is correct, because part of the answer says:

Export sales of wheat by the AWB will be GST free and domestic sales will be subject to the GST. Therefore, the AWB will have to account separately for these sales.

What is not clear to me is what the implications are to the AWB for their running costs, but it is very clear to me that there are some potential stings in the tail here for primary producers. When we get to the committee stage, I would certainly like that question to be answered.

Getting back to the answer to my question (1), about outlining the arrangements for loan payments, it said:

Where a loan arrangement is entered into with, amongst other things, loan repayments and interest

charges with commercial terms, details of conditions in the event of loan default, risks borne by the lender and a genuine expectation of repayment, no GST will be applicable to the loan principal and no GST is payable on interest charges. However, the supply of the loan facility by the AWB itself will be input taxed as a financial supply.

That obviously has some implications for grain producers. Later I asked whether these sorts of situations would apply to producers of other grains. The answer was: 'See (1).' It then said:

Where a genuine loan agreement is entered into with a producer, a liability for GST on the supply of the wheat will arise either at the time the producer is paid or issues an invoice for their wheat, depending on whether the producer accounts on a cash or non-cash basis.

First of all, when we get to the committee stage, I would like all that interpreted into English that is plain and simple, so I can understand it and so that I can send it out to my wheat producers.

The reason for these questions going on notice was that I was asked these questions by grain producers. They, it is obvious, are quite concerned and quite unsure of what the situation is. In answer (2) we are told:

If the AWB sells wheat directly to a non resident customer and actually exports the wheat, the supply will be GST free. The conditions which must be met to make a GST free export are that the goods are exported from Australia by the supplier within 60 days of the supplier receiving any consideration or issuing an invoice for the goods (whichever occurs first).

I would like that also in plain English, but I would also like the Department of the Treasury to tell me, if they can, how much wheat is sold in such a situation that there is less than 60 days eventuating from the export where the supplier has received any consideration or issues an invoice for the goods. These are pertinent questions which were not answered in the answer that I got. For other grains I was told to see answer (1). The final answer says:

Broadly, primary producers and agricultural marketing boards will have the same responsibilities as all other GST registered businesses. Each entity will have to apply for an Australian Business Number to be registered for the GST. After 1 July 2000 GST will have to be remitted for taxable supplies made in the course of their business. An input tax

credit will be allowed for GST paid on creditable business acquisitions. Regular returns called Business Activity Statements will need to be completed and lodged with the Australian Taxation Office (ATO) (quarterly or monthly). A net payment of GST will have to be made at the same intervals. Where a business has paid out more GST than has been collected then the ATO will refund the amount within 14 days of the lodgement of the return.

As I said, I want all of that put into plain English, because it is not in plain English at present.

I want to go back to the beginning in terms of the loan payments or the payments by the AWB to wheat producers. My understanding is that when these payments are made they do not get a single payment but that payments are made over two or three pools, as they are called. The bulk comes through first and then after the wheat sale has been finalised more will come through in maybe one or two different lots. It is of course possible that for this year's wheat harvest the pools will not be finalised until after 1 July 2002—that is, after the introduction of the GST. I want to know what transition arrangements have been put into place for the GST for farmers who actually are getting paid for the crop that they harvested this year and for the work that they put in for this year. This is not clear.

I also want to know from the department and from the minister how they are going to work out which farmers have had their grain exported, or is it going to be done on the basis of a collective allocation or assessment? A truck load of wheat is made up of many grains. The farmer will have some idea, when he takes his wheat to the silo, of its grading. The wheat is put into different grades; part of it may end up being exported, but part of it may be used domestically. How is how much a particular grower has contributed to a particular pool going to be assessed? How is the assessment going to be done so that we know that all—or maybe only part—of grower X's crop went overseas? No-one knows, because it is made up of individual grains and they are all pooled.

Presumably an assessment will be done and a pro rata applied. For example, if 50 per cent of one particular category gets exported and

somebody has 100 tonnes of that particular grade, then they will get 50 per cent notionally allocated to them as having been exported, and for that 50 per cent they will be able to claim their input taxes back. For the other 50 per cent they will not. This has some severe ramifications, because that will lead to higher prices in terms of value adding—or disincenives to value adding. If a farmer is lucky enough to have all of a particular pool exported, they will get all their inputs removed. But if it goes to some value adding within Australia, which might eventually end up being exported, the farmers are not going to be able to recoup the tax on their inputs.

I come from the central west of New South Wales. We have Uncle Ben's and Friskies. They are two pet food providers, and a large part of the base for pet foods is cereals—wheat, barley, et cetera. A lot of their product for dogs and cats ends up on the shelves of supermarkets in Japan and other countries overseas. Are Treasury telling me that they will be able to work it all the way back and calculate the percentage of the grain the Wheat Board sells to Uncle Ben's and Friskies—say 100 tonnes made up into 100 tonnes of pet food, of which 50 tonnes goes overseas—so that Uncle Ben's gets the benefit, the Wheat Board gets the benefit and the farmers get the benefit? If they are telling me that, then it sounds like an extremely difficult and time consuming paper trail.

I do not think primary producers will want to be involved in that sort of thing. I do not think primary producers realise just how confusing this particular issue is. I have grave concerns because I do not know just how the government are going to be able to explain that. From the reading of the answer that I have been given, it strikes me that there are still some answers to be had on this. We are now only seven months away from the introduction of this tax. Grain producers and other farmers are planning not just for this season's crop but for next year and the following years. How can they plan with any certainty? How can banks and lending institutions lend them money with any certainty when they know that any export sales of wheat will be GST free and domestic sales will be subject

to GST? It does not affect just the farmers in this region; it affects the whole region. If there is less income and more paperwork to be done, the farmers will not be spending as much money in the communities and the town. This is another example of where this tax would appear to be more iniquitous.

When we come to the committee stage of the debate on this bill, there are a lot of questions I want answers to, and I want answers in plain English so that the wheat producers that are asking me these questions can have the answers they want in language they can understand. This answer is not given in language they can understand. It also took 39 days to come. I would have thought that, so close to the introduction of this bill, the department and the minister would have been able to almost pull the answer off the shelf and have a one-day turnaround in answering. But they did not; it has taken 39 days. That is indicative of the unprepared state the government are in as they attempt to introduce this piece of iniquitous legislation that is impacting on the whole community.

Senator GIBSON (Tasmania) (9.44 p.m.)—I rise to support these government bills, the A New Tax System (Pay As You Go) Bill 1999 and three related bills, which are about amending and tidying up the key bills which went through this parliament in June about the new tax system. Why are we here talking about tax? The fundamental reason we are talking about tax is that Australians know that the Australian tax system has been an absolute mess for a long, long time. It was designed in the 1930s when the Australian economy was based on goods and not services. Back in the 1930s, about two-thirds of the Australian economy, as in most Western world economies, was goods and about a third was services. Today the reverse applies: two-thirds or more of the Australian economy and of most of the Western world's economies is services and about a third is goods, and it is shifting rapidly to services. That is what people are spending their money on. So the system that was designed back in the 1930s, a long time ago, is basically out of date. Not only that, we had a process since the 1930s of adding complexity to a system which was

not based on principles. So we built up this superstructure of complicated tax in Australia, and we have ended up with one of the most complicated tax structures in the world.

Both sides of politics have known this for a long time. The Asprey committee reported in the mid-1970s about what a mess the Australian tax system was and how it needed to be changed. The Hawke government in 1986 came to the same conclusion, but unfortunately politics between the ACTU and the Prime Minister of the day defeated Mr Keating and option C went out the window. Instead of going ahead with what was needed by the Australian economy and what was needed by our children and our grandchildren for the future, it was thrown out the door for short-term politics. Fightback in 1993 was the next major attempt, by our side of politics, to get the situation right, but again unfortunately scare tactics led to the defeat of the coalition's proposals in 1993.

It took John Howard to have the courage to set the record straight. In August two years ago he said, 'This government has the guts to take on board tax reform and change the tax system for Australia—not for us for today or tomorrow but for our kids and our grandkids for the future.' Everyone who knew anything about tax recognised that this had to be done. From that day back in August 1997, the coalition has been through this long process of tax reform. I had the honour of being chairman of the Prime Minister's tax task force, which was seeking views from the community for seven months about what was wrong with the tax system and what needed to be changed. The government considered those views, came out with this package and went to the election on it, followed by a Senate select committee on the ANTS package and then Ralph and business tax. So Australia now has a modern tax system before us, and what we are talking about today is minor amendments to tidy up the ANTS bills as a result of consultation with industries about the detail—just a normal, sensible process of consultation with the various interest groups and getting the fine detail right. The principles have been set right. They have been set in legislation and they are now

law. What we are about today is setting the detail and getting that right.

In spite of all this, we have the opposition continuing with the lie that this is all nonsense, that the GST is nonsense, when in their hearts their leaders know that tax reform was required in Australia. Their leaders took part in the debates and led the debates in the 1980s requiring those changes, but they have left all that behind because they want to go ahead with short-term scare politics with the Australian community. That is very sad for our children and our grandchildren. Even though the opposition woke up in the last couple of weeks—and thank goodness they did wake up and agreed to the Ralph changes on business tax going through—it is time that they also woke up and agreed to the GST changes going through so that Australia does end up with a sensible, practical, modern tax system fitting in with the rest of the world. They want to stay with wholesale sales tax. They want to put us back into the category of Botswana and three other Third World countries, in contrast with anyone else in the rest of the world.

Debate interrupted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Order! It being 9.50 p.m., I propose the question:

That the Senate do now adjourn.

Treaties Committee

Senator MASON (Queensland) (9.50 p.m.)—I would like to take just a few moments this evening to talk about the Joint Standing Committee on Treaties and its role in assisting this parliament to govern in the national interest. I joined the treaties committee when I first entered the Senate and believe that today it is one of parliament's most important committees. It does not have a very long history, having been established a little over three years ago, but it fulfils a very important and a very crucial role. The committee provides a voice for parliament and a voice for the community in developing international law. It is a voice that the people of Australia have been demanding for a very long time.

Many people think that international law is an esoteric matter with little bearing on the way we lead our lives here in Australia, but this is not so. Increasingly, as the international community grows and matures, more and more aspects of our daily lives and our interactions with others are governed by internationally developed rules and norms of conduct. Whether it is in the field of defence and security, nuclear disarmament, trade and investment, the environment, civil aviation, social security and health services, science and technology or human rights, international agreements affect us all.

While some mistakenly see treaties as of little importance in everyday life, some others equally mistakenly go to the other extreme and ascribe far too much—often sinister—importance to international treaties that bind this country. In a rapidly changing world, the extent to which domestic policy options are limited by our international obligations—by our treaties—can be a source of concern for some people in our community. Some people fear that treaties unduly infringe on our rights and on our national sovereignty.

Recent protests on the streets of Seattle—against free trade and globalisation in general and the activities of the World Trade Organisation in particular—are a reminder to governments of the need to subject international agreements to close scrutiny. In the absence of public input, international organisations far too readily become the focal points for alleged conspiracies and plots by special interests and unaccountable bureaucrats. In my view, in a civilised global society the advantages of international agreements far outweigh any potential disadvantages: treaties can help to establish fair, agreed and transparent rules to guide the relations between nations.

But Australia's entry into international treaties goes much further than simply being a good international citizen. Treaty making is not a matter of altruism: this country negotiates treaties because it is in our national interest to do so. Nations with relatively small populations, such as Australia, benefit greatly from a world where relations between countries are based upon agreement and not aggression. If the rules of international engagement

were to be governed simply by the projection of military and economic power, Australia would be at a distinct disadvantage. But in a world where international relations are based upon effective rules, our country can have an influence that extends beyond what our military and economic strength might suggest. Already Australia has advanced her national objectives by helping to shape the standards and the rules by which international relations are conducted. A recent example is the United Nations Law of the Sea Convention, which establishes globally accepted regimes for access to the resources of the sea and the seabed.

Australia is one of the world's very great trading nations but, because of our relatively isolated geographical position, we are heavily reliant upon efficient transport and communications systems. The treaties establishing the much maligned World Trade Organisation assist Australian industries in developing global markets. Without international cooperation of this sort, Australia's standard of living and our quality of life would suffer. For example, treaties can help communities around the world tackle environmental problems that cross national borders and require coordinated international action to resolve. Treaties can help establish fair taxation regimes for small Australian export firms seeking to trade in international markets. Treaties can help ensure that international air services meet minimum safety standards and that Australian travellers who fall ill while overseas have access to local health care services. Treaties can also help establish agreed plant and animal quarantine standards.

The Joint Standing Committee on Treaties is part of Australia's response to this challenge of ensuring that global rule making reflects, and is responsive to, local concerns. In its work it operates in the best tradition of parliamentary committees: it is objective and inquiring and it recognises that the commitment to Australia's national interest is far more important than considerations of partisanship. Since 1996 the treaties committee has tabled in parliament 28 reports reviewing 160 separate treaty actions. Since July this year, when I joined the committee, we have pro-

duced six reports reviewing 26 treaty actions. Not only is it a prolific committee but I believe it is an extremely effective one.

Our terms of reference provide that all proposed international treaties be reviewed by the treaties committee before action is taken by this government to bind Australia to the terms of the treaty. In short, we expose all treaty actions to the bright light of public examination. The questions we ask in our reviews are generally very straightforward. Why is this treaty action being proposed? What obligations, costs and benefits will be associated with this treaty action? What other government and community groups have been involved in the development of this treaty? These questions are directed at gathering sufficient information to allow us to determine whether or not the treaty or proposed treaty action is in Australia's national interest.

In doing so, we gratefully acknowledge the assistance we are given by the submissions we receive from members of the public, community organisations and state and territory governments. A good example comes from my home state of Queensland. Last month the treaties committee travelled to Rockhampton to talk to the local community about their views on a proposed treaty allowing the Singapore Armed Forces to use the defence training area at Shoalwater Bay. Although we have not yet reported to parliament on this treaty, I can say that we found it to be extremely useful to speak to representatives of the local community, government, business and environmental groups about the impact of the proposed treaty.

Australia is changing dramatically in economic and social terms along with the rest of the world. The changes are driven primarily by new technology which has the potential to dramatically increase the productivity, the wealth and the quality of life of the Australian community. Australia cannot opt out of these developments nor opt out of the international system that seeks to make rules for orderly progress. Rather, we must try to influence developments in order to protect and promote our national interest. The echoes of Seattle convince me that our role in this parliament is to explain to Australians—and perhaps

others—why international agreements serve our interests.

It is about leadership. While we cannot tell people who have concerns about a changing world and about the pace of globalisation that their concerns have no validity, neither can we merely echo and massage the ill-informed fears that Australia can somehow opt out. In a way, the treaties committee simply seeks to ensure that international agreements to which Australia might become a party benefit the national interest. We want to ensure that the strengthening of economic, social and cultural ties between Australia and other countries—call it globalisation if you wish—are the bonds of benefit and not the shackles of subservience. (*Time expired*)

Aviation: Class G Airspace Trial

Senator O'BRIEN (Tasmania) (10.00 p.m.)—The report of the class G airspace trial recently released by the Minister for Transport and Regional Services, Mr Anderson, and tabled in this place was indeed a damning document. It was a matter that I pursued at some length in last week's estimates hearings, and this evening I wish to make further comment on the report and evidence from those hearings.

It was clear from the evidence provided by a number of senior officers from the Department of Transport and Regional Services, Airservices Australia and the Australian Transport Safety Bureau that Airservices remains responsible in law for airspace design. It was also clear from the evidence that the Civil Aviation Safety Authority was keen to take over that role. That was certainly the case when Mr Dick Smith was the chair of CASA. I assume it is still the case. As senators are aware, the class G airspace trial conducted by CASA at the end of last year was a complete disaster. According to the ATSB, there were 154 occurrence notifications received by the then Bureau of Air Safety Investigations relating to airspace procedures in the demonstration area or associated with the trial. CASA was forced to close down the trial prematurely on safety grounds.

During last week's hearings, I asked the deputy secretary of the transport department, Mr Harris, on what legal basis CASA was able to conduct the trial. He said that CASA could make changes to airspace management for safety reasons but acknowledged that Airservices Australia was responsible for making changes to airspace design. However, the original Airservices Australia safety case relating to changes in airspace management concluded that the new system was not designed to be safer than the old system.

In fact, a document entitled *Summary of responses to (NPRM) 9702RP*, which related to radio requirements for class G airspace and was published by CASA in January this year, stated that change to class G airspace was designed to improve traffic information and to review third-party directed traffic information services with 'substantial cost benefit to industry if change could be achieved safely'. The reality was that the airspace changes were far more about cutting costs than enhancing safety. The action of CASA in taking control of the trial can therefore not be accommodated in even the most liberal interpretation of the authority's responsibilities as defined in the Civil Aviation Act.

In the estimates, I asked Mr Harris whether the former transport minister, Mr Vaile, or his senior adviser was made aware that the transfer of airspace management from Airservices Australia to CASA required legislative change. Mr Harris replied, 'Yes. Definitely, they would have been.' But Mr Harris was not sure whether that advice went directly to the minister or was provided through his adviser. In fact, there was legal advice on this very point provided by the Government Solicitor to the department in January last year. However, it is unclear when that advice went to Mr Vaile and to Mr Anderson. Similar legal advice would also have been provided to Mr Vaile in March last year as part of the report on the restructuring of Airservices Australia.

Mr Harris also confirmed for the committee that Mr Vaile and his senior adviser were both briefed on 28 May last year of CASA's decision to proceed with the class G trial. He confirmed that there was no ministerial

direction to CASA to take over functional responsibility for airspace. In fact, I understand the minister was not able, legally, to give such a direction. I also checked the legality of CASA's decision to take over the airspace trial with Mr Pollard, the Chief Executive Officer of Airservices Australia. I asked: Is it your understanding that, under the current legislation, Airservices Australia remains responsible, in law, for airspace design and changes?

He said:

Yes, sir.

Mr Pollard also said that authority for the management of airspace could not be delegated to CASA.

This evidence was confirmed by the Australian Transport Safety Bureau report on the class G trial. According to the ATSB, despite no legislative changes occurring, CASA had taken control of the development, management and implementation of airspace reform. The ATSB found no document that provided a direction or instruction to CASA to take control of airspace issues. Indeed, senior management officers confirmed to the bureau that the government had made no decision to transfer this power to CASA. I asked Mr Harris of the department about a reference in the ATSB report that stated:

Departmental officers indicated that the Department's view in early 1998 was that CASA had much work to do before it could take over responsibility for airspace.

Mr Harris said that this statement related to available resources but acknowledged that it was probably related also to the fact that, at that point, CASA was not properly prepared to undertake the trial. That point appeared to be confirmed by an answer to a question taken on notice in the February 1999 estimates. That answer advised that CASA did not undertake any risk modelling or quantitative risk analysis prior to the class G airspace demonstration. I asked Mr Harris whether the minister was briefed on the fact that CASA was both under-resourced and underprepared to run the trial and, soon after, the fact that CASA planned to proceed with the class G trial anyway.

Senator Macdonald, in his ever helpful way, jumped in and confirmed that the ministers—I

assume, Mr Vaile and then Mr Anderson—were both properly briefed. I assume that was a clear yes. So we had a situation where an authority took control of the management and change in Australian airspace with no proper legal authority and without the resources or the skills required to do the job. We had the illegality of that action certainly known to Mr Vaile and his senior adviser, and I am confident that a similar brief would have been made available to the incoming minister, Mr Anderson.

We had both Mr Vaile and Mr Anderson also being briefed on the intention of CASA to run the class G trial. It appears that Mr Vaile, or at least his senior adviser, actually encouraged CASA to do so. Mr Anderson did nothing to stop CASA proceeding with the trial despite the fact that he had advice that it was outside that agency's legal charter. So CASA was well aware of the illegality of taking over airspace management as early as January last year. I understand that legal advice on that point was also put before the CASA board in March last year as part of a task force report on the issue of airspace management.

I understand that the CASA board noted in November last year that there were still outstanding legal issues that needed to be resolved in relation to the transfer of airspace management. At the time of that advice the class G trial had already commenced, so it is now clear that CASA acted well beyond its legislative authority in running the trial. It should also be noted that CASA placed itself in a conflict of interest situation: it was both the advocate of the proposed changes to airspace management and the safety regulator in relation to that change. I would have thought that the consequences, both for the authority and for the government, of this illegal action would have been to the forefront of the minds of both Mr Vaile and Mr Anderson.

As I understand it, under the law all government statutory authorities can be sued, either under common law for negligence or, alternatively, for failure to carry out their statutory duties. I would have thought that Mr Vaile and certainly Mr Anderson, given the

advice they had from their departments, would have been aware that CASA could be considered negligent if there was an accident by breaching its duty of care to ensure that safety aspects of the class G trial were up to scratch. It is hard to see how there would be a case for government immunity in such a situation.

It is important not to forget that this question while now theoretical was almost a reality on two occasions during the trial. According to the Bureau of Air Safety Investigation, on 16 November last year the crew of a BAe Jetstream were maintaining the aircraft at 5,000 feet for separation from a descending Beechcraft King Air. The sector controller transmitted radar information on the Jetstream to the pilot of the King Air. This information was not acknowledged by the King Air pilot and was subsequently reported to have been overtransmitted by another pilot. The King Air was observed on radar to descend through the level of the Jetstream. The two aircraft passed each other with approximately 600 feet of vertical separation and 0.5 nautical miles horizontal displacement. That is a near miss in anyone's language. There was a second incident involving a Beechcraft King Air and a Saab 340. According to BASI, in both of these incidents, prior to the class G airspace demonstration, the crews would have been alerted to each other's existence through the provision of directed traffic information.

So the CASA board knew that it did not have the power to do what it was doing. In doing so it created an unsafe situation. Mr Vaile and Mr Anderson also knew that CASA did not have the legal power to run the trial and, therefore, both failed to meet their responsibilities to ensure that the aviation industry had a safe environment in which to operate. This is yet another black mark for the transport minister. (*Time expired*)

World Trade Organisation: 3rd Ministerial Conference

Online Australia Day

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (10.10 p.m.)—I rise this evening

to talk about the events of the past week in Seattle and the lessons for the future arising from that. If time permits, I will also talk about IT. The 3rd World Trade Organisation Ministerial Conference certainly brought globalisation onto the streets and our television screens. For the first time, instead of the traditional smiling line-ups of world leaders, civil action managed to change the agenda of one of the world's most powerful organisations. Far more people now know about the WTO and its potential to affect their lives and of the way globalisation has moved from the removal of tariff barriers in the international marketplace to more insidious means of championing the expansion of global capital.

The failure of the talks in Seattle to launch a further round of negotiations presents international leaders with an opportunity to reassess the pace and direction of trade liberalisation. It is the opinion of the Australian Democrats that there must be a review of the effect of the Uruguay Round reforms on international trade, the developing world and the implementation and enforcement of international standards pertaining to human rights, to workers, to social rights and to the environment. The demonstrations in Seattle proved that the mantra of the inevitability of globalisation, chanted by some governments across the world, is insufficient explanation for the haste with which it has been embraced.

The failure of these talks to lead to a further round of liberalisation negotiations has given the international community and its citizens the opportunity to further question their governments about the pace and effect of liberalisation and to assess the consequences of past liberalisation and reform, particularly on developing nations. There is a world of difference between the removal of tariffs and the prohibition of domestic standards protecting health, the environment and children's rights. This is the future agenda of international trade liberalisation.

The WTO suffers from a number of intrinsic flaws which make it increasingly unacceptable to citizens around the world. Foremost among these is the degree to which the WTO prioritises free trade and commercial

considerations above all other values. WTO rules generally require domestic laws, rules and regulations designed to further the protection of non-commercial interests to be undertaken in the 'least trade restrictive' manner possible. It is very difficult to uncover instances where trade is subject to non-commercial considerations. Workers', consumers', environmental, health, safety, human rights and animal protections nearly always come off second-best. The prioritisation of trade, coupled with the WTO's extraordinary powers of enforcement, means that contrary to its rhetoric it actively promotes, not just regulates, trade. Its rules are biased to facilitate global commerce at the expense of efforts to promote local economic development and policies that move communities, countries and regions in the direction of greater self-reliance.

The WTO also undermines democracy by drastically restricting the choices available to democratically controlled governments, with violations of WTO rules attracting potentially severe penalties. These inflexible rules determine how economies should be organised and corporations controlled. The WTO enforces a trade regime detrimental to the interests of developing nations by forcing them to open their markets to foreign multinationals, leaving fledgling domestic industries vulnerable to foreign competition and dumping. In agriculture, the opening to foreign imports proposed by the WTO has the potential to cause a massive social dislocation of millions of rural people.

The WTO operates against the application of the precautionary principle. WTO rules generally block countries from acting in response to potential risk, requiring probability before governments can move to resolve harms to human health or, say, the environment. It threatens diversity by establishing international health, environmental and other standards as a global ceiling through a process of 'harmonisation', exceptions to which are quite difficult to obtain.

It operates in an opaque fashion, applying stringent rules and making decisions which affect millions of people behind closed doors and without the input of those people who

will be affected by the decisions. It limits the potential of governments to use procurement in the furtherance of human rights, environmental or workers' rights, or for other non-commercial purposes. By stipulating that governments may make purchases based only on quality and cost considerations, the WTO ensures that the neo-liberal agenda operates to the detriment of populations which expect certain levels of support and protection from their elected governments.

The Australian Democrats endorse the following proposals for future action on international trade liberalisation. Firstly, the Australian Democrats endorse not just free trade but fair and ethical trade. Unjust enrichment of the wealthiest nations and corporations should not be part of the international trade agenda. Secondly, we endorse the examination of trade and its consequences. Trade is intrinsically linked to the environment, human rights and labour standards, and reform or liberalisation proposals must be considered within this context. There must be ongoing dialogue between international institutions, designed to implement international standards relating to the environment, human rights, social rights and the WTO.

The power of the WTO to invalidate laws passed pursuant to international agreements must be revoked. Following on from this is the necessary recognition that trade is only one aspect of business and business is only one aspect of life, and neither should subjugate other values. Clearly, there must be a balance.

There must be transparency in the international trade regime. The demonstrations were a clear indication that people are not satisfied with WTO's current policy. The WTO and the Australian trade minister must make WTO documents available for public scrutiny. It is not enough to merely inform people what is happening; there must be democracy as well, with communities able to influence decisions made at the WTO.

In the time remaining, I wish to refer to the fact that 26 November this year was Australia's second Online Australia Day. I would like to acknowledge and congratulate all those who were involved in that day. I

especially wish to congratulate the ABC for their extensive involvement, which was certainly one of the highlights of the day. Roger Clarke, a consultant who is well known to many members of the Australian Internet community, prepared a short 'state of the e-nation' address for Online Australia Day, which I will draw on quite heavily. The document outlines his view of this government's progress on a number of technology and information economy issues, and the view he has painted is a little distressing. The Democrats share many of his concerns, and I will run through some of them.

Firstly, the Electronic Transactions Bill 1999, which was debated in this place during the current sittings, was not only overdue but it may not provide the level of certainty that is required in that area. In particular, I reiterate the concerns which I put during the debate about the need to extend the framework to all Australian jurisdictions and all transactions.

We are still waiting for legislation to ensure private sector privacy. This privacy protection is long overdue and is a crucial component in establishing public confidence in electronic commerce. The key government public authority has failed to include a range of privacy protections in the public key infrastructure model which has been adopted. This is likely to be a significant impediment to the adoption of the model.

Encryption policy requires a major overhaul to ensure unrestricted access to tools which can ensure some degree of communications privacy. Most people would balk at the idea of sending their credit card number on a postcard, but we live with insecure communications every day on the Internet. International connectivity remains inadequate. Despite frequent suggestions that Australia should play a major role in financial and information services in this region, there are few direct data connections between Australia and Asia, and currently they are simply not adequate.

The pricing of connectivity in Australia is extraordinarily high when compared with our major competitors. Charges are around 300 per cent greater in Australia than in the USA or Canada, for example. ISDN data services are still extremely expensive, even though off-

the-shelf modems are now available which offer almost the same capacity. Cable is available to around two million, mostly affluent, people, but Internet access via cable is still not priced at an affordable level.

I have certainly taken some liberties with Roger's list. I have a few more that I could add, but time is against me. The general pattern here is obvious. The government makes louder and louder noises about their successes in relation to the information economy and information technology, but not enough has been done to back up the marketing rhetoric. I should also point out that Internet censorship, the government's unworkable and undesirable legislation, also came under attack and criticism. I think Clarke referred to it as a misguided attempt to control content on the Internet. With this legislation, the government has ignored expert advice, the wishes of the community, and the evidence of failed past attempts around the world. (*Time expired*)

International Day of People with a Disability

Senator ELLISON (Western Australia—Special Minister of State) (10.20 p.m.)—On 3 December this year we celebrated International Day of People with a Disability. As this is the first opportunity I have had since that day, I thought it appropriate to mention a scheme that I have recently become involved with. It involves a family with a disabled member adopting a politician—commonly called 'Adopt a Pollie'. The scheme is administered by the Disability Development Council of Western Australia, and it is designed to give an insight into the impact on a family when one member of the family is disabled. The scheme provides for first-hand contact between the member of parliament and the adopting person and their family. It allows the member of parliament to investigate assistance which would make life easier for the family and the person concerned, and it provides an opportunity to visit disability service providers and to get in touch with other people with disabilities and experience their needs.

I have had the privilege of being adopted by Stephen Franklin, a delightful young man

in his early 20s with Prader-Willi Syndrome. Stephen, who lives at home with his father Norm, his mother Carol and his sister Kristy, is confined to a wheelchair and requires constant care and attention. It has indeed been a privilege to be invited into their home to see how they cope with Stephen's day-to-day needs. At the recent adoption ceremony, it was somewhat moving to hear what Stephen's mother Carol had to say. At that adoption ceremony, she said:

My life began the same as many and for all my early years my life seemed to take the path of the innermost band of the rainbow. I could see the pot of gold at the end. I was married, had a career and one lovely child. A few years later my life took an unexpected turn, with the birth of my second child Stephen. With his birth, my life took a new path. I could still see the pot of gold but it seemed a bit further away. It was as if I had stepped from the red band onto the orange.

As Stephen grew up, the pot of gold seemed to be getting further away and I seemed to be stepping across all the colours of the rainbow, from orange to yellow to green and so on. It seemed impossible for me, let alone Stephen to reach the pot of gold. Then almost eight years ago a Local Area Coordinator asked me to think of what we could see in the future for our son. We had difficulty picturing that pot of gold for Stephen. Then we asked what the future held for our other two children. We then realised that Stephen had a pot of gold too. He would just need some assistance to get there.

So we began to plan for Stephen to reach the pot of gold and he began to move toward the inner bands and his path seemed to be lessening. But several times along the way doors began to shut and again he seemed to be moving outward and backward.

When the opportunity was given to our family to adopt a politician, we took it with great hope. It was a chance for us to show that person that our family just wanted what other families take for granted.

It is our hope through this scheme that we all can raise the awareness of politicians to help every disabled child reach that pot of gold at the end of the rainbow.

I think those words are somewhat telling, and I would use them in recommending this scheme to other members of parliament. In my home state of Western Australia, there are a number of state and federal politicians from across the political spectrum who have become involved in this scheme. It is a scheme

which places a member of parliament in touch with the reality of the problems faced by the people who are experiencing them. With the contact that I have had with Stephen and his family, it has certainly been an eye-opener for me.

Some people perhaps approach this with some trepidation. I know that my association with people with disabilities prior to this had been minimal. It is for that reason that I would urge my colleagues across the political spectrum to become involved with this program. It is a thoroughly worthwhile program. I want to acknowledge the efforts of Liz Pretsel from that council, who is absolutely unswerving in her efforts to get politicians adopted. I also want to take this opportunity to thank Stephen Franklin and his delightful family for adopting me and bringing me into their home to see the challenges that lie ahead for them. I only hope that I can use my position to assist them to meet those challenges.

Republic Referendum: Youth

Senator LUNDY (Australian Capital Territory) (10.26 p.m.)—For many young Australians the change to a republic on 6 November would have represented the belated formal acknowledgment of our unique cultural identity. Young Australians who, like me, still feel strongly that the only sensible next step for Australia is to become a republic will continue to work towards the next chance to make our Constitution truly Australian.

No-one can deny that the future belongs to youth—it does by definition. This holds true with respect to the republic as well—giving young people an even greater stake in the outcome than mere numbers would imply. However, it is with typical irony that it was young people who appeared to have the least opportunity to participate in the decision to move forward to a republic. You must be 18 and on the electoral roll to vote. If you were younger, you were out of the official picture and you basically had to sit back and cross your fingers and hope that enough people in enough states would see the light and vote yes for a republic when it mattered. The effect this had on young people was twofold. It creates a feeling of cynicism which our

younger generation is incredibly susceptible to—I know; I have been there myself—and it leads to apathy, which is damaging to their present situation and their future as potential community leaders and participants in our community.

The potential is there for this structural exclusion to turn young people away and to confirm feelings of alienation from what they see as the establishment. However, this structural exclusion can also potentially be the motivation for the most extraordinary campaign to be embarked upon by the youth of a nation. The dedication and commitment that I have witnessed amongst young Australians is profound. The desire to use the republic referendum as an anvil to forge a new direction for Australia, I believe, heralds the beginning of a new civic awareness. Seventy thousand young Australians enrolled to vote for the first time in the November referendum. This figure alone is a ringing endorsement of the desire of young Australians to play a significant role in the determination of the future direction of this country.

But for those too young to vote, what medium exists for them to have a voice in our direction? How do they make their voices heard in our political system? The Internet is rapidly becoming one of the most important communications media for Australians generally but most importantly for young Australians. With a trending increase in accessibility to the Internet, and if we were to create a more equitable system for Internet access, Australia has the potential to become a highly connected nation. The Net has the capability of overcoming the communication barriers relating to the tyranny of distance which continues to plague and divide us, and it has the potential to facilitate the equal involvement of all Australians, be they from rural, regional or metropolitan areas. Most importantly, it allows Australians of all ages, regardless of differing abilities, to interact with their political representatives in a real time environment.

The purpose of my Internet site during the republic debate was to provide such a medium for young Australians, for those under 18 years of age. Young people were very much

aware during the republic debate that, although they were officially not part of the decision making process, it was they who would inherit the results of this process. I hoped my site would provide an opportunity for those Australians who were too young to vote in the November referendum to express their view on the issue, and it continues to do so on a range of issues.

An example I would like to refer to to illustrate my point about the role that young people play in our political future and our development as a nation can be found in the conclusions of the Youth and New Technology project, which, although quite dated now, was conducted in Eastern Europe and finished with the fall of the Berlin Wall. Mahler saw the young as having the potential to be the motivators of change, and his study led to the conclusion that universal youth culture was too powerful to be resisted by an authoritarian state. The enabling factor for change was a product of information technology—the media.

Such technological advancement allowed the presentation of common views and aspirations into every home and led a value shift, ultimately resulting in political transformation. No doubt Mahler would have been astounded by the accuracy of his predictions. However, the media revolution taking place at that time in Europe is dwarfed by the convergence of computing, communication and media giants occurring on the cusp of the new millennium. This convergence has produced a common digital language and the Internet represents not just the backbone of global communications but the circulatory and nervous system of the 21st century culture. If the observations of Mahler hold true, there is no reason to think otherwise and the power in the hands of those who can access and utilise the Internet is immense.

As recently as December 1998, Australian statistics show us that by far it is young Australians who are the most adept at accessing the Internet. While there is no doubt that the tertiary student population is a big part of this with 100 per cent of students gaining access through their institution, the sheer numbers indicate that there is a comfort zone

with the Internet among the younger generation that cannot be matched by other age groups. Academic studies and practical experience show us that it is the young who attain and lead with computer literacy with respect to life skills and cultural pursuits. The online world of Internet relay chat, emails, mailing lists and news groups for those with common interests spanning the globe all form part of a world that is relatively inaccessible, let alone understood, by many in older generations.

Studies conducted on the values and attitudes of citizens online show a level of political awareness beyond that of the general community. A survey conducted by *Wired* magazine went so far as to describe the 'netizens', a term they use to describe online citizens, as 'discerning, swinging voters with well-developed social consciences'.

The use of the Internet as a political communication tool has been gaining momentum with each passing election around the globe. It is a tool which can be a powerful instrument in the hands of young Australians.

The Internet is one of the most inspiring changes on the technology front, not just for its technical feats or even its central position amidst converging media, computing and telecommunications, but for the potential to empower global movements. The Internet is re-setting power relationships. It is a universal medium that will be the circuit-breaker for the frustration and cynicism felt by so many young people. It will give a voice to human rights activists and environmentalists the world over and allow global movements to work cooperatively like never before. The political clout was illustrated recently by two examples; firstly, the defeat of the Multilateral Agreement on Investment. This agreement was so complex in its construct, so obscure in its intent and its proponents so inaccessible that there was a real risk of it being adopted before anyone understood it. It was the Internet that broke open its mystique and exposed its agenda.

The online campaign that led to its defeat traversed international borders and was conducted via email. I received hundreds upon hundred of emails alone from individuals

expressing concern. This had a significant impact on drawing my attention to the contents of the MAI and its potential negative impact. Another example is the recent events at the World Trade Organisation meeting in Seattle. We know that the Internet campaign leading up to that event involved organising online for up to 11 months in advance, and the coordination that occurred, despite some of the tragic outcomes, brought together those opposing the agenda of the WTO.

These two examples of the online community getting its act together to influence political outcomes are worthy lessons. There are many others. If these feelings of frustration are coupled with far more overwhelming feelings of national pride, it should come as no surprise that young people are motivated to establish their own agenda for the future. The republic debate was a tangible way to refocus the political agenda on what comes next, not what has been. I would like to table a graph that shows the results of my online republic referendum survey.

Leave granted.

Senator LUNDY—Finally, I would like to comment on the role that I believe this online presence plays. (*Time expired*)

Treaties Committee

Senator LUDWIG (Queensland) (10.36 p.m.)—This evening I would like to make a few comments on the work that is done by the Joint Standing Committee on Treaties. I understand that today in the house a number of speakers have tried to raise the profile of the joint treaties committee. The joint treaties committee is perhaps not as well known as some other committees of this house. It does not always attract attention in the way that estimates committees or some of the legislative review committees do. This is a shame because the treaties committee performs an extremely important task on behalf of parliament. The committee reviews and reports on all new international treaties that the Australian government proposes to enter into. Every time the government indicates that it wants to sign up to a new treaty, be it an extradition treaty, a health services agreement, a quarantine standards treaty or an environmental

protection treaty, we examine and report on the fine print of the particular treaty.

Our role is to ensure that the government has considered the costs and benefits of the proposed treaty and that the government has consulted widely in the development and negotiation of the treaty. It is not always glamorous work. Sometimes the subject matter is fairly dry. I challenge anyone but the most ardent accountant to get too excited about double taxation treaties, for example. But we are a watchdog committee, seeking to ensure that the treaty actions proposed by the government are in Australia's national interest. It is important to stress that our reviews are not just an examination by experts behind closed doors. We provide a very real opportunity for interested members of the public to comment on the purpose and effect of the proposed treaty actions.

Each time the government presents a proposed treaty action to parliament, we advertise the fact that we have the treaty under review. We invite interested members of the public to comment on the purpose and effect of the treaty. We advertise in the national press, on the Internet site and by way of direct mail to people on our mailing list. We often find that the comments we receive from community organisations and members of the public provide a fresh perspective on the issues before us. While these submissions might not always address the niceties of international law, they do reflect personal experiences and concerns. This type of grassroots comment can be extremely valuable to us as we seek to determine whether the government should take action to bind Australia to the terms of the treaty.

I think many parliamentarians would agree that there is a palpable sense of unease in the Australian community about the extent to which international organisations are making decisions which affect our day-to-day lives. The events in Seattle over the last week have shown that there are many people around the world who feel this way. I share some of these concerns. I agree that international organisations must directly reflect the interests of member states. I agree that these organisations must recognise and respond to the

concerns of local communities. I agree that environmental, labour and other social interests must figure at least as highly as economic and business interests.

However, there is no use pretending that we can wind back the clock. We live in a world where travel is global, where commerce is global. We have heard speakers earlier tonight speak about e-commerce and the trade over the Internet. Communication is now global. Environmental issues are global. In a world like this, we need the assistance of international organisations to help establish international rules to ensure that international travel is safe, that international commerce is fair and socially responsible, that international communication services are available to all and that environmental issues are tackled with collective effort. We need to make sure that this government listens and responds to local concerns, to make sure that government represents local and national interests when it deals in international fora. This requires community engagement at all levels of our political system—engagement with local government, engagement with state government and engagement with Commonwealth government.

I know that, at times, government seems remote and unresponsive. But it is only remote and unresponsive if we let it be so. There are ample opportunities for people to become involved or to influence government decision making at all levels. The Joint Standing Committee on Treaties is one of these opportunities. By contributing to the work of the treaties committee, people can have a direct say in the international agreements that the government enters into on our behalf. If people support a proposed treaty, we want to hear from them. If people oppose a particular treaty, we want to hear from them as well. Some people are concerned that treaties unduly infringe on our rights or sovereignty. I do not believe this. I believe that, by establishing agreed and transparent rules, treaties provide a valuable framework for international relations, thereby enhancing our national interests.

But to those people who are concerned about the impact of treaties on sovereignty, I

say that there is a solution: become involved in the reviews conducted by the treaties committee; check our web site for information about what treaties are being reviewed; get on our mailing list so you can receive copies of all new proposed treaty actions and the national interest analyses that are prepared to explain the purpose, costs and benefits of proposed treaties. Armed with this information, you can help us assess the merits or otherwise of particular treaty actions.

The value of community contributions was highlighted very effectively during our review of a proposed agreement with Singapore on access to the defence training area at Shoalwater Bay. As part of this review, the committee travelled to Rockhampton, where we inspected the defence training area and met with local government, business and environmental groups to discuss the costs and benefits of the proposed treaty and perhaps the wider impact. These meetings were extremely useful to us, offering a perspective on the issues that would not have been available had the community not taken the time to make submissions to us. We are now far better placed to make sensible recommendations on the proposed agreement than we would otherwise have been.

I conclude by urging all Queenslanders, indeed all Australians, to take an interest in treaties. I cannot promise that we will always agree with the representations we receive. But the treaties committee provides an opportunity for local voices to be heard on the national stage. I also thank the secretariat for its hard work in making the committee function in a well-oiled manner.

Senate adjourned at 10.43 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

- Airports Act—Regulations—Statutory Rules 1999 Nos 290 and 291.
- Australian Meat and Live-stock Industry Act—Australian Meat and Live-stock Industry (Export of Cattle) Amendment Order 1999 (No. LC1/99).
- Australian Wine and Brandy Corporation Act—Regulations—Statutory Rules 1999 No. 294.

Broadcasting Services Act—Broadcasting Services (Events) Notice No. 1 of 1994 (Amendment No. 3 of 1999).

Child Support (Assessment) Act—Regulations—Statutory Rules 1999 No. 286.

Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—
Exemption No. CASA 46/1999.

Part—

105, dated 28 October 1999; and 3, 5 [6], 8 [2], 10 [2], 15, 16 [5], 18 [8], 23 [2] and 24 [7] November 1999.

106, dated 10 [2] November 1999.

107, dated 16 and 23 November 1999.

Corporations Act—Regulations—Statutory Rules 1999 No. 293.

Defence Act—Determinations under section 58B—Defence Determinations 1999/49-1999/53.

Export Control Act—Regulations—Statutory Rules 1999 No. 282.

Extradition Act—Regulations—Statutory Rules 1999 No. 284.

Family Law Act—Regulations—Statutory Rules 1999 No. 283.

Federal Court of Australia Act—Rules of Court—Statutory Rules 1999 Nos 295 and 296.

Fisheries Management Act—Regulations—Statutory Rules 1999 No. 285.

Imported Food Control Act—Regulations—Statutory Rules 1999 No. 280.

Migration Act—Certificates under section 502, dated 16 and 25 [2] November 1999.

National Health Act—Regulations—Statutory Rules 1999 Nos 288 and 289.

Naval Defence Act—Regulations—Statutory Rules 1999 No. 281.

Public Service Act—

Public Service (Defence) Determination 1999/10, Overseas Conditions of Service (Public Service (Defence) Determination 1999/1—Amendment).

Public Service Determination 1999/7.

Quarantine Act—Quarantine Determination No. 3 of 1999.

Remuneration Tribunal Act—Determinations Nos 13 and 14 of 1999.

Sales Tax Assessment Act—Regulations—Statutory Rules 1999 No. 292.

Student Assistance Act—Determination No. 1999/2—Determination of Education Institutions and Courses under subsections 3(1) and 5D(1) of the *Student Assistance Act 1973*.

Monday, 6 December 1999

SENATE

11267

Superannuation Act 1976—Regulations—
Statutory Rules 1999 No. 287.

Taxation Ruling TR 1999/18.

Telecommunications (Carrier Licence Charges)
Act—Determination under paragraph 15(1)(b)
No. 2 of 1999.

The following document was tabled pursuant to the order of the Senate of 1 December 1998:

Public Servants—Accountability, rights and responsibilities—Statements of compliance—
Transport and Regional Services portfolio.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Referendum: Advertising Campaign

(Question No. 1548)

Senator Faulkner asked the Special Minister of State, upon notice, on 21 September 1999:

(1) (a) On what date were the members of the Ministerial Committee on Government Communications (MCGC) provided with the final script used for the television advertisements for the referendum campaign; and (b) how were they provided with those copies, for example, by mail, facsimile, electronically or in person.

(2) (a) Who were the members of the MCGC who received a copy of the final script; and (b) did they receive a copy because they were: (i) a member of the committee, (ii) a temporary member of the committee, (iii) staff of the committee, or (iv) other (please specify).

(3) (a) On what date or dates did the MCGC consider the script for the independent referendum television advertisements; and (b) on what date was the final decision made about the form and content of the advertisements.

(4) (a) Who participated in the decision to proceed with the final script for the advertisements; and (b) in what capacity did they participate in this decision.

(5) Was this decision on the final script made during a telephone hook-up; if so, in which cities were the various participants located at the time.

(6) On what date was this decision on the final script communicated to the advertising company responsible for the advertisements.

(7) On what date were the advertisements filmed.

(8) (a) Did the MCGC view the advertisements prior to broadcast; if so, on what date or dates; and (b) did the MCGC request any changes to the advertisements; if so, were any changes made to the advertisements.

(9) Did anyone from the Commonwealth, for example, ministers, staff, expert panel or public servants, view the advertisements between the date the final decision on the scripts was forwarded to the advertising company and the date on which the advertisements were broadcast; if so: (a) who did so; and (b) in what capacity.

(10) What was the first date of broadcast of the independent referendum television advertisements.

Senator Ellison—The answer to the honourable senator's question is as follows:

Two committees with separate roles were involved in the process of developing the neutral public education campaign for the referendum.

The Referendum Steering Group—consisting of the Attorney-General (the Chairman), the Special Minister of State and a representative from the Prime Minister's Office—was responsible for the wording of the advertising. The Referendum Steering Group was supported by the Referendum Taskforce, a unit of the Department of the Prime Minister and Cabinet.

The Ministerial Committee on Government Communications is responsible for overseeing the Government's communications activities. It consists of the Special Minister of State (the Chairman), Mr Georgiou MP, Mr Nutt and, in the case of the Referendum neutral campaign, the Attorney-General. In line with normal practice, the MCGC considered the structure of the campaign and the concept and creative elements of the advertisements. The MCGC is supported by the Government Communications Unit in the Department of the Prime Minister and Cabinet.

The brief to advertising agencies for the neutral campaign was cleared by both the Referendum Steering Group and the MCGC. Also in line with normal practice, the creative agency was selected by the MCGC following presentations by shortlisted agencies. The presentations included the television commercial concepts.

The neutral campaign was considered by MCGC in line with normal arrangements. For the Yes and No advertising campaigns, special arrangements were made for MCGC oversight to ensure the activities met basic standards and that there was accountability for use of public funds.

(1) (a) The MCGC saw proposed scripts for the neutral program TV advertisements as part of its consideration of the proposed advertisements on 24 August 1999, but noted that it was not its role to approve the detail of the content of the scripts. The Referendum Steering Group approved the final scripts.

(b) The materials for the MCGC were delivered by hand to committee members' offices.

(2) (a) and (b) Scripts were received by members of MCGC constituted as described above, and by advisers to the Attorney-General and the Special Minister of State in their capacity as advisers.

(3) (a) The MCGC saw the scripts on 24 August 1999.

(b) 14 September 1999.

(4) (a) and (b) The members of the Referendum Steering Group approved the final scripts.

(5) No.

(6) 31 August 1999.

(7) Filming commenced on 30 August 1999 and was completed on 3 September 1999.

(8) (a) On 8, 13 and 14 September 1999 the MCGC assessed the effectiveness of the advertisements in terms of their ability to meet the stated communications objectives for the campaign.

(b) The MCGC requested minor changes to improve the effectiveness of the advertisements. These were done. No changes were made to the concept or scripts.

(9) (a) and (b) In addition to the members of MCGC (see (8) above), advisers to the Attorney-General and Special Minister of State and staff of the Department of the Prime Minister and Cabinet involved in the work of the Government Communications Unit and the Referendum Taskforce viewed the advertisements.

(10) 19 September 1999.

Referendum: Advertising Campaign

(Question No. 1549)

Senator Faulkner asked the Special Minister of State, upon notice, on 21 September 1999:

(1) Is the role of the referendum expert panel, chaired by Sir Ninian Stephen, to scrutinise the content of the independent advertising and promotional material for the referendum, in order to ensure that such material is fair and accurate.

(2) (a) On what date were the members of the panel provided with the final script used for the television advertisements for the referendum campaign; and (b) how were they provided with those copies, for example, by mail, facsimile, electronically or in person.

(3) Were the members of the panel given an opportunity to meet and discuss these scripts; if so, on what date did they meet.

(4) (a) What was the deadline notified to the panel members for their comments to be returned; (b) how many commented by that date; and (c) did any members comment after that date.

(5) On what date were the advertisements filmed.

(6) (a) Did the panel view the advertisements prior to broadcast; if so, on what date or dates; and (b) did the panel request any changes to the advertisements; if so, were any changes made to the advertisements.

(7) What was the first date of broadcast of the independent referendum television advertisements.

Senator Ellison—The answer to the honourable senator's question is as follows:

(1) When the panel was set up in April 1999, the neutral education program was expected to involve the wide distribution of information material, with advertising to promote its availability. The Expert Panel was appointed by the Government to review the information material to ensure it was fair and accurate.

The information material took the form of the six page pamphlet "Referendum 6 November 1999" which carried a statement that it had been reviewed by the Expert Panel to ensure fairness and accuracy. The Expert Panel considered the text of the pamphlet carefully over a series of meetings and reached unanimous agreement on a text which was then accepted and published by the Government without change. This text provided the basis for the advertisements that were subsequently prepared.

(2) (a) Incidental to their role in clearing the pamphlet text, members of the Expert Panel were also provided with copies of the proposed scripts for the television advertisements on 26 August 1999 and invited to provide any comments.

(b) Copies were provided by facsimile.

(3) The Expert Panel did not meet to consider the scripts, see 4(b) below.

(a) The Expert Panel was advised that filming was to commence on 30 August 1999 and was invited to submit any comments urgently.

(b) The Chair of the Panel advised on 27 August 1999 that the majority of the Panel preferred not to provide comments as a Panel, as the content could be checked against the pamphlet text which the Panel had already cleared and there was no proposal to refer to the Panel in the advertisement. He noted that a script would not necessarily give the full flavour of the finished advertisement. One Panel member provided written comments on 27 August 1999 and another provided comments by telephone, also on 27 August 1999.

(c) No.

(5) Filming commenced on 30 August 1999 and was completed on 3 September 1999.

(6) (a) and (b) No.

(7) 19 September 1999.

Referendum: Information Campaign

(Question No. 1550)

Senator Faulkner asked the Special Minister of State, upon notice, on 21 September 1999:

(1) (a) Which firm is providing research services for the independent referendum information campaign; and (b) what is the expected cost of those services.

(2) (a) What polling and research methods have been used to date; (b) what other methods are expected to be used in the future; and (c) will tracking polling be undertaken.

(3) (a) What draft advertisements, scripts, or other proposed material has the research firm been provided with to date; and (b) how has the research firm used that material.

(4) Has the research firm been provided with the scripts or copies of the television advertisements which have recently commenced broadcasting; if so, on what date were they provided to the firm.

(5) Were these scripts of advertisements used in focus groups; if so: (a) how many groups were used; (b) what was the make up of these groups; and (c) what were the results of this testing.

(6) (a) When were the results of focus group research provided; (b) which members of the government, ministerial staff, and/or public servants were they provided to; and (c) in which capacity did each of these people receive this research.

(7) (a) Will the results of the focus group research be provided to the 'yes' and 'no' committees; if not, why not; and (b) will the results of the focus group research be made public; if not, why not.

Senator Ellison—The answer to the honourable senator's question is as follows:

The answer covers all research undertaken for the neutral education program, including tracking research carried out since the date of the question.

(1) (a) Newspoll Market Research, in association with Yann Campbell Hoare Wheeler (YCHW) and Émigré Multicultural Communications, was commissioned to undertake research on levels of understanding about the main issues involved in the referendum. Newspoll conducted the quantitative component of the research. YCHW conducted the qualitative component of the research, and Émigré Multicultural Communications conducted research in non-English speaking background communities and Aboriginal and Torres Strait Islander communities. YCHW also conducted focus group testing of advertising concepts and materials. Newspoll conducted tracking research on the neutral public education program.

(b) \$306,976 (plus a modest amount for consultants' travel).

(2) (a) Qualitative methods using focus groups and individual telephone interviews; quantitative methods using national telephone surveys.

(b) No further research will be undertaken.

(c) Tracking research has been undertaken.

(3) (a) YCHW was provided with story boards, scripts, newspaper advertising layouts, pamphlet text and layouts, audio recordings and rough cuts of the proposed television advertisements.

(b) The materials were used for focus group testing.

(4) Yes. Proposed scripts, story boards and audio recordings were provided to YCHW on 27 August 1999 and rough cut video recordings were provided on 7 September 1999.

(5) Yes.

(a) Two groups were used in testing on 28 August 1999. Three groups were used in testing on 7 September 1999.

(b) For the testing on 28 August 1999, the groups were differentiated by age (25-34 and 40-55). For the testing on 7 September 1999, the three groups were differentiated by age (18-25, 30-45 and 55-65). All groups comprised both men and women, and people from a mix of socio-economic groups.

(c) The research results from 28 August 1999 indicated that the concept was perceived to be clear and easy to understand. A vast majority of respondents found it to be highly neutral. The concept of being at a crossroad evoked a feeling of relevance and importance of the decision. The research results from 7 September 1999 again indicated the referendum campaign was perceived to be clear and easy to understand, neutral and unbiased. The information content across all the media was found to offer a very wide coverage and availability for every Australian. The campaign emphasised the importance of the decision that every Australian had to make on 6 November and encouraged people to look for more information and prepare themselves to make this decision.

(6) (a) 30 August 1999 and 8 September 1999.

(b) and (c) Members of the MCGC, advisers to the Attorney-General and Special Minister of State in their capacity as advisers, and staff of the Department of the Prime Minister and Cabinet involved in the work of the Government Communications Unit and the Referendum Taskforce received the results of the research.

(7) (a) and (b) No. The results of the focus group research relate specifically to the advertising materials developed for the Government's neutral public education program. The results have no wider application.

Goods and Services Tax: Advisory Board
(Question No. 1575)

Senator Cook asked the Minister representing the Treasurer, upon notice, on 23 September 1999:

(1) Is it a fact that the new goods and services tax (GST) advisory board has the power to veto the release of public information on the GST as prepared by the Australian Taxation Office (ATO).

(2) Is it a fact that the board has wide terms of reference and will monitor the delivery of all tax reform implementation.

(3) What does 'all tax reform implementation' actually cover.

(4) (a) Why is it necessary for the board to have the power of veto; and (b) is that not the proper role of the ATO's GST implementation unit or the Minister's office.

(5) Why has the Minister abrogated his responsibility to oversee the production of public information regarding the GST in order to allow business interests and accountants to determine what the public should be allowed to know about the GST.

(6) Is it a fact that the GST advisory board will cease to operate after 31 December 2000.

(7) Is it possible for the board to continue to operate after 31 December 2000, as claimed, at the 'stroke of a pen'.

(8) Is the Government aware of senior ATO concerns that the board sets a precedent for any future boards to have ongoing influence over the ATO.

(9) Does the Government believe that a formal advisory or consultative board dominated by business interests is necessary to oversee the operations of the ATO.

(10) Does the Government believe that the ATO is out of control and needs to be kept 'in check' by an advisory board dominated by business interests.

(11) Is there any role at all for an advisory board to oversee the operations of the ATO.

Senator Kemp—The following answer is provided to the honourable senator's question:

(1) No. The New Tax System Advisory Board's Terms of Reference limit its role to the provision of information to organisations affected by The New Tax System and the provision of advice to Government as to how the implementation of tax reform could be improved. The New Tax System Advisory Board does not have authority to interfere with the Australian Taxation Office's (ATO) administration of the taxation laws of Australia.

(2) On 21 July 1999, the Government announced the creation of The New Tax System Advisory

Board (the Board) to assist it with the implementation of The New Tax System. The Board was given wide Terms of Reference to advise on all aspects of implementation of The New Tax System, paying particular attention to ensuring that the new tax arrangements can be implemented effectively whilst minimising costs and transitional difficulties. The Board is also charged with monitoring the operations of the GST Start-Up Assistance Office in its delivery of assistance to small and medium enterprises, charities, and education bodies.

(3) The Terms of Reference for the Board state that the Board's focus will be on legislation enacting A New Tax System, including the introduction of the Goods and Services Tax, Pay As You Go and the Australian Business Number.

(4) (a) Not applicable. (b) The release of public education compliance and administrative details of the GST is the responsibility of the ATO, to assist business and community sectors meet ATO compliance requirements. The Government, through the GST Start-Up Assistance Office, is also developing material to help business understand the wider impacts of the GST on the way they run their business.

(5) Not applicable.

(6) The Board's Terms of Reference state that the Board will cease to operate after 31 December 2000.

(7) The Board's Terms of Reference relate specifically to the tax reform implementation. The Government expects that reform will be bedded down by 31 December 2000, and the Board's work will be complete.

(8) Any concerns within the ATO are the result of a misunderstanding of the Board's role and functions.

(9) The Government believes that there are benefits in having a board to work with the ATO in certain circumstances, to enhance the consultative process.

(10) Refer to (9).

(11) The ATO and a board would have different roles. The board's role would be explicitly identified in the board's Terms of Reference.

Goods and Services Tax: Advisory Board
(Question No. 1576)

Senator Cook asked the Minister representing the Treasurer, upon notice, on 23 September 1999:

With reference to the comments made by Mr Jordan, Chairman of the goods and services tax (GST) advisory board, regarding the education campaign that it was necessary to examine all the material in order to 'make sure it is hitting the

target market', and that the work of the Australian Taxation Office (ATO) is 'prioritised in a way that our feedback says it needs to be':

(1) (a) Who is the target market Mr Jordan was referring to; and (b) what is the 'feedback' Mr Jordan makes mention of.

(2) (a) How was the target market identified; and (b) did this involve market research; if so, who conducted the market research.

(3) With reference to the prioritising of the ATO's work, is that not a role for the ATO to set as opposed to the GST advisory board.

(4) Has the Government allowed the ATO's GST work priorities to be now set by an advisory board rather than by ATO management.

(5) Is the GST advisory board the first step by business towards gaining greater influence over the operations of the ATO so that the ATO serves the interests of business as opposed to those of the community as a whole.

Senator Kemp—The following answer is provided to the honourable senator's question:

(1) (a) The primary target audience is the Australian business community, its advisers and representatives, or 'intermediaries'. Intermediaries include the industry associations, chambers of commerce and industry, small business organisations, accountants and tax planners who will be disseminating information about tax reform and providing assistance to the business community. The target audience also includes charities, religious organisations, public benevolent institutes, health and education sectors. (b) The New Tax System Advisory Board's (the Board) membership is representative of the target group and relevant sectors. The Board's links with these sectors will allow it to quickly identify areas of concern and where business and community needs are not being met. The Board provides a forum through which these concerns and needs can be channelled to the Government, the Australian Taxation Office (ATO) and the GST Start-Up Assistance Office.

(2) (a) The target market was identified by the ATO on the basis of those that would be most affected by The New Tax System. (b) No.

(3) Yes, the ATO sets its own priorities.

(4) No.

(5) The Board's Terms of Reference explicitly state that the Board's role is to provide advice to the ATO and the Government on what help is needed by business and the community sectors on implementing arrangements for The New Tax System, including where existing information and education programs are not meeting community needs.

Pittwater Radiology

(Question No. 1642)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 29 September 1999:

(1) (a) Has Pittwater Radiology applied for Medicare rebates for 2 new magnetic resonance imaging units at Dee Why and Westmead since May 1998; if so, on what date did each unit commence operation; and (b) has Pittwater Radiology applied for any other new units: if so, when, and where are these units located.

(2) In the application to the Health Insurance Commission (HIC), on what date is it claimed that the contract for the purchase of each unit was signed.

(3) Have these new units been approved by the HIC to receive Medicare benefits on the basis that each contract was signed prior to 12 May 1998.

(4) Has each of these new units commenced making claims on Medicare; if so, on what date was the first claim made for each unit.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) (a) and (b) No. Under the scheme of the Health Insurance Act and the regulations made thereunder, applications for recognition of eligible equipment are lodged by individual providers not by practices.

(2) Not applicable.

(3) Medicare benefits are payable to patients for eligible services, not units.

(4) Not applicable.

Radclin Medical Imaging

(Question No. 1643)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 29 September 1999:

(1) (a) Has Radclin Medical Imaging applied for Medicare rebates for a new magnetic resonance imaging unit at the Victoria House Private Hospital in Prahan since May 1998; (b) on what date did it commence operation; and (c) has Radclin applied for any other new units: if so, when, and where are the units located.

(2) In the application to the Health Insurance Commission (HIC), on what date is it claimed that the contract for the purchase of each unit was signed.

(3) Have these new units been approved by the HIC to receive Medicare benefits on the basis that each contract was signed prior to 12 May 1998.

(4) Has each of these new units commenced making claims on Medicare; if so, on what date was the first claim made for each unit.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) (a), (b) and (c) No. Under the scheme of the Health Insurance Act and the regulations made thereunder, applications for recognition of eligible equipment are lodged by individual providers not by practices.

(2) Not applicable.

(3) Medicare benefits are payable to patients for eligible services, not units.

(4) Not applicable.

Victorian Imaging Services

(Question No. 1644)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 29 September 1999:

(1) (a) Has Victorian Imaging Services applied for Medicare rebates for new magnetic resonance imaging unit at Box Hill, Frankston and Monash Medical Centre since May 1998; if so, on what date did each unit commence operation; and (b) has Victorian Imaging Services applied for any other new units: if so, when, and where are the units located.

(2) In the application to the Health Insurance Commission (HIC), on what date is it claimed that the contract for the purchase of each unit was signed.

(3) Have these new units been approved by the HIC to receive Medicare benefits on the basis that each contract was signed prior to 12 May 1998.

(4) Has each of these new units commenced making claims on Medicare; if so, on what date was the first claim made for each unit.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) (a) and (b) No. Under the scheme of the Health Insurance Act and the regulations made thereunder, applications for recognition of eligible equipment are lodged by individual providers not by practices.

(2) Not applicable.

(3) Medicare benefits are payable to patients for eligible services, not units.

(4) Not applicable.

Kos, Ingle and Gordon

(Question No. 1645)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 29 September 1999:

(1) (a) Has Kos, Ingle and Gordon applied for Medicare rebates for a new magnetic resonance imaging unit at Hornsby in Sydney since May 1998; (b) on what date did it commence operation; and (c) has Kos, Ingle and Gordon applied for any other new units: if so, when, and where are these units located.

(2) In the application to the Health Insurance Commission (HIC), on what date is it claimed that the contract for the purchase of this unit was signed.

(3) Has this new unit been approved by the HIC to receive Medicare benefits on the basis that the contract was signed prior to 12 May 1998.

(4) Has each of these new units commenced making claims on Medicare; if so, on what date was the first claim made for each unit.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) (a) (b) and (c) No. Under the scheme of the Health Insurance Act and the regulations made thereunder, applications for recognition of eligible equipment are lodged by individual providers not by practices.

(2) Not applicable.

(3) Medicare benefits are payable to patients for eligible services, not units.

(4) Not applicable.

Geelong Radiological Clinic

(Question No. 1646)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 29 September 1999:

(1) (a) Has Geelong Radiological Clinic applied for Medicare rebates for a new magnetic resonance imaging unit in Geelong since May 1998; (b) on what date did it commence operation; and (c) has Geelong Radiological Clinic applied for any other new units: if so, when, and where are these units located.

(2) In the application to the Health Insurance Commission (HIC), on what date is it claimed that the contract for the purchase of this unit was signed.

(3) Have these new units been approved by the HIC to receive Medicare benefits on the basis that this contract was signed prior to 12 May 1998.

(4) Has each of these new MRI units commenced making claims on Medicare; if so, on what date was the first claim made for each unit.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) (a) (b) and (c) No. Under the scheme of the Health Insurance Act and the regulations made thereunder, applications for recognition of eligible equipment are lodged by individual providers not by practices.

(2) Not applicable.

(3) Medicare benefits are payable to patients for eligible services, not units.

(4) Not applicable.

Perth Imaging Centre

(Question No. 1647)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 29 September 1999:

(1) (a) Has Perth Imaging Centre applied for Medicare rebates for a new magnetic resonance imaging unit at the Claremont Bethesda Hospital in Perth since May 1998; (b) on what date did it commence operation; and (c) has Perth Imaging Centre applied for any other new units: if so, when, and where are these units located.

(2) In the application to the Health Insurance Commission (HIC), on what date is it claimed that the contract for the purchase of this unit was signed.

(3) Has this new unit been approved by the HIC to receive Medicare benefits on the basis that this contract was signed prior to 12 May 1998.

(4) Has each of these new units commenced making claims on Medicare; if so, on what date was the first claim made for each unit.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) (a), (b) and (c) No. Under the scheme of the Health Insurance Act and the regulations made thereunder, applications for recognition of eligible equipment are lodged by individual providers not by practices.

(2) Not applicable.

(3) Medicare benefits are payable to patients for eligible services, not units.

(4) Not applicable.

Perth Radiological Clinic

(Question No. 1648)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 29 September 1999:

(1) (a) Has Perth Radiological Clinic applied for Medicare rebates for a new magnetic resonance imaging unit at Subiaco since May 1998; (b) on what date did it commence operation; and (c) has Perth Radiological Clinic applied for any other new units: if so, when, and where are these units located.

(2) In the application to the Health Insurance Commission (HIC), on what date is it claimed that the contract for the purchase of each unit was signed.

(3) Has this new unit been approved by the HIC to receive Medicare benefits on the basis that this contract was signed prior to 12 May 1998.

(4) Has this new unit commenced making claims on Medicare; if so, on what date was the first claim made for each unit.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) (a) (b) and (c) No. Under the scheme of the Health Insurance Act and the regulations made thereunder, applications for recognition of eligible equipment are lodged by individual providers not by practices.

(2) Not applicable.

(3) Medicare benefits are payable to patients for eligible services, not units.

(4) Not applicable.

Queensland X-Ray Services

(Question No. 1649)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 29 September 1999:

(1) (a) Has Queensland X-Ray Services applied for Medicare rebates for 4 new magnetic resonance imaging units at Greenslopes, Townsville, Toowoomba and Mackay since May 1998; if so, on what date did it commence operation; and (b) has Queensland X-Ray Services applied for any other new units: if so, when, and where are these units located.

(2) In the application to the Health Insurance Commission (HIC), on what date is it claimed that the contract for the purchase of each unit was signed.

(3) Have these new units owned by Queensland X-Ray Services been approved by the HIC to receive Medicare benefits on the basis that each contract was signed prior to 12 May 1998.

(4) Has each of these new units commenced making claims on Medicare; if so, on what date was the first claim made for each unit.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) (a) and (b) No. Under the scheme of the Health Insurance Act and the regulations made thereunder, applications for recognition of eligible equipment are lodged by individual providers not by practices.

(2) Not applicable.

(3) Medicare benefits are payable to patients for eligible services, not units.

(4) Not applicable.

Basslink

(Question No. 1672)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 12 October 1999:

(1) Will Basslink be assessed under existing legislation, for example, Environment Protection (Impact of Proposals) Act, World Heritage Properties Conservation Act, et cetera, or under the Environment Protection and Biodiversity Conservation Act (EPBC Act).

(2) What are the critical dates or processes that determine which Acts are relevant.

(3) How would Commonwealth requirements for scope and process of assessment and decision under the existing legislation differ from those under the EPBC Act.

Senator Hill—The answer to the honourable senator's question is as follows:

(1) On 23 June 1999 Basslink Pty Ltd was designated as proponent under the Environment Protection (Impact of Proposals) Act 1974 for its proposal to install and operate a submarine electricity interconnector between Tasmania and south-eastern Australia. On 21 August 1999 I directed the preparation of an Environmental Impact Statement and gave notice in the Commonwealth of Australia Gazette of 8 September 1999 (GN36). I have agreed to a Combined Assessment and Approvals Process that will meet the legislative requirements of the Commonwealth, Tasmania and Victoria. That process includes provision for public exhibition and submissions on both the draft guidelines and the draft Environmental Impact Statement documents.

(2) The Environment Protection and Biodiversity Conservation Act 1999 will commence on 16 July 2000. An approval under Part 3 of the new Act is not required for an action, such as Basslink, in relation to which the Minister for the Environment has already directed under the EPIP Act that an EIS should be submitted. This provision ceases to apply if the EIS is not completed within 2 years of the new Act commencing.

(3) As noted above, the Basslink proposal will be the subject of a joint EIS process which meets the current legislative requirements of the Commonwealth, Victorian and Tasmanian Governments.

Were the proposal not to be considered under the EPIP Act, the requirement for approval under the EPBC Act would be triggered if the proposal has, will have, or is likely to have, a significant impact on a matter of national environmental significance (NES) as defined in the Act. The scope of the Commonwealth's assessment would depend upon the nature of the approvals being sought in the proposal referral (ie the relevant NES trigger(s)).

Community Threatened Species Program: Grants

(Question No. 1675)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 12 October 1999:

Can details be provided of all grants under the Community Threatened Species program.

Senator Hill—The answer to the honourable senator's question is as follows:

Thirty-nine projects totalling \$410,881 were approved in Round One of the Threatened Species Network Community Grants. Details of these grants have been provided to the honourable senator and further copies are available from the Senate Table Office.

Forty-seven projects totalling \$587,652 were approved in Round Two of the Threatened Species Network Community Grants. Details of these grants have been provided to the honourable senator and further copies are available from the Senate Table Office.

Global Logging Agreement

(Question No. 1690)

Senator Brown asked the Minister representing the Minister for Forestry and Conservation, upon notice, on 20 October 1999:

(1) Is Australia considering the Global Logging Agreement; if so (a) what consideration was given to the agreement; (b) for how long; and (c) who was involved.

(2) Is the agreement due to be considered, signed and ratified at the World Trade Organisation talks in Seattle in 1999; if so, what are the details; if not, when and where is the agreement due to be consummated, or when and where is the next meeting to consider the agreement and what is the agenda.

Senator Hill—The Minister for Forestry and Conservation has provided the following answer to the honourable senator's questions:

I am not aware of the existence of a World Trade Organisation (WTO) Global Logging Agreement nor any proposal for such an Agreement to be considered at the Seattle WTO Ministerial Conference.

I am aware, however, that some environmentalists have been referring to any agreement to further trade liberalisation for forestry and forest products in the context of the Seattle Ministerial Conference as a "Global Logging Agreement".

At Seattle Ministers are expected to agree to a mandate for the commencement of new negotiations under the WTO. At this stage the only negotiations that are mandated to commence relate to agriculture and services. It is unclear if industrial products, including forest products, will be mandated for inclusion in negotiations by Ministers in Seattle.

A number of sectors were referred to the WTO by APEC for inclusion in WTO negotiations as part of an Accelerated Tariff Liberalisation (ATL) package. The forest products sector was one of nine sectors included under ATL. At this point there is no indication that this package will form part of the WTO negotiations.

Job Seekers: Work Ability Test

(Question No. 1695)

Senator Crossin asked the Minister for Family and Community Services, upon notice, on 21 October 1999:

With reference to the work ability test for job seekers:

(1) How many clients with a disability have been assessed as requiring Flex 1, Flex 2, or Flex 3 assistance since the introduction of the test.

(2) How many Flex 3 job seekers with a disability have been referred by Centrelink to Health and Community Services for assistance.

(3) How many Flex 3 job seekers with a disability have been referred to Job Network for assistance.

(4) How many of the referrals to Department of Health and Aged Care were referred on to the Commonwealth Rehabilitation Service.

(5) How many Flex 3 job seekers referred to the Department of Health and Aged Care have been placed in employment.

(6) (a) How many job seekers with a disability have been placed in employment with disability service providers through Job Network; and (b) how does this compare with a corresponding period prior to the introduction of the streaming system.

(7) What is the total number of job seekers with a disability placed in employment under the new arrangements compared to a corresponding period under the old system.

(8) What assessments have been made of the employment retention of job seekers with a disability under the new streaming system.

(9) What analysis has been done of the impact of the new assessment process on job seekers with a psychiatric disability.

Senator Newman—The answer to the honourable senator's question is as follows:

The eligibility assessment and streaming arrangements for job seekers with disabilities streams job seekers to either Job Network or to specialist disability employment services funded through the Family and Community Services Portfolio.

(1) This question is outside my area of responsibility.

(2) Nil.

(3) This question is outside my area of responsibility.

(4) Nil. However, between 1 October 1998 to 30 September 1999 23,987 job seekers with disabilities were given CRS Australia as one of their referral options.

(5) Nil. See question 2.

(6) (a) and (b) This question is outside my area of responsibility.

(7) Information on the number of job seekers placed in employment by Job Network is outside of my area of responsibility.

From 1 July 1998 to 30 June 1999, 16,567 new job seekers were placed in employment by specialist disability employment services, including CRS Australia. Comparable data is not available for 1997-98.

(8) Information on the employment retention of job seekers placed by Job Network is outside my area of responsibility.

In the period 1 July 1998 to 30 June 1999, 56% of job seekers placed by specialist disability employment services had an employment durability of 6 months or more compared with 54% in the same period in 1997-98.

(9) The Government established a Disability Industry Reference Group to examine the effective-

ness of the new eligibility assessment and streaming arrangements for job seekers with disabilities. The Government is currently considering a report by the Reference Group.

Mission: Australia

(Question No. 1700)

Senator Brown asked the Minister representing the Minister for the Arts and the Centenary of Federation, upon notice, on 22 October 1999:

With reference to the compact disc (CD) 'Mission: Australia':

(1) Why are forests not mentioned in this production.

(2) Why is mining given such a favourable coverage in the CD.

(3) What amount of funding did North Limited put towards the production of this CD.

(4) (a) What input did North Limited have into the production; and (b) how was this input exercised.

(5) What funding and editorial input did the Federal Government have.

Senator Alston—The Minister for the Arts and the Centenary of Federation has provided the following answer to the honourable senator's question:

(1) The 'Australia on CD' program was established in 1994 to showcase Australia's cultural endeavour, artistic performance and heritage achievements.

The Editorial Committee which provided advice on the content of the 'Mission: Australia' CD-ROM consisted of representatives from:

the former Department of Environment, Sport and Territories

Landcare Australia

the Murray Darling Basin Commission

Institute for Coastal Resource Management + University of Technology, Sydney

and the Garner MacLennan Group Pty Ltd (the producer).

As noted in the 'Disclaimer' contained in the CD-ROM and also in the newsletter accompanying the CD-ROM, 'Mission: Australia' was designed to introduce young Australians aged 8 + 13 years to aspects of the Australian environment. It was not intended to be an exhaustive or formal environmental education resource. The 'Disclaimer' also notes that the views expressed in the CD-ROM are not necessarily those of the Commonwealth nor those of the developers, sponsors or supporters of the CD-ROM.

(2) See response to question 1.

(3) As assistance from third parties was outside the scope of the Commonwealth's grant deed with the Garner MacLennan Group Pty Ltd, it was not asked to provide details of additional funding sought or obtained. Accordingly, I am unable to advise details of assistance provided by North Ltd.

(4) The producer was not asked to provide details of input to the CD-ROM by third parties. Accordingly I am unable to advise details of input by North Limited, if any.

(5) The Federal Government provided funding of \$500,639 to the Garner MacLennan Group Pty Ltd for the production of the 'Mission: Australia' CD-ROM. The editorial input was the responsibility of the Editorial Committee (see response to question 1).

Department of Family and Community Services: Cost of Legal Advice from Attorney-General's Department

(Question No. 1721)

Senator Faulkner asked the Minister for Family and Community Services, upon notice, on 2 November 1999:

(1) What has been the total cost to the department, and each agency in the portfolio, of legal advice obtained from the Attorney-General's Department in the 1998-99 financial year.

(2) What has been the total cost to the department, and each agency in the portfolio, in the 1998-99 financial year of legal advice obtained by the department from other sources.

Senator Newman—The answer to the honourable senator's question is as follows:

(1) The Department of Family and Community Services paid accounts totalling \$311,813; Centrelink \$1,493,570; the Commonwealth Rehabilitation Service accounts totalling \$166,324; and the Child Support Agency accounts totalling \$1,541,047 for legal advice obtained from the Attorney-General's Department. The Social Security Appeals Tribunal and Australian Institute of Family Studies did not incur any costs for legal advice from the Attorney-General's Department in the 1998-99 financial year.

(2) The Department of Family and Community Services paid accounts totalling \$198,509; Centrelink \$727,398; and the Commonwealth Rehabilitation Service paid accounts totalling \$30,013 for legal advice obtained from sources other than the Attorney-General's Department in the 1998-99 financial year. The Social Security Appeals Tribunal, Child Support Agency and Australian Institute of Family Studies did not incur any costs for legal advice from sources other than

the Attorney-General's Department in the 1998-99 financial year.

Included in the above legal costs are associated disbursements relating to the provision of advice totalling \$860,460. The records maintained regarding disbursement costs do not enable their separate identification as requested in the question.

Legal accounts are made up of legal expenses and disbursements. Legal expenses are direct costs charged by Attorney-General's Department or private legal firms for services they provide, including their profit costs. Disbursements are indirect costs charged by Attorney-General's Department or a private law firm for third party services they arrange on the Department's behalf such as process serving, filing fees, barrister's fees and sheriff's fees.

Department of Education, Training and Youth Affairs: Cost of Legal Advice from Attorney-General's Department

(Question No. 1725)

Senator Faulkner asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 2 November 1999:

(1) What has been the total cost to the department, and each agency in the portfolio, of legal advice obtained from the Attorney-General's Department in the 1998-99 financial year.

(2) What has been the total cost to the department, and each agency in the portfolio, in the 1998-99 financial year of legal advice obtained by the department from other sources.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator's question:

(1) The total cost to the Department of Education, Training and Youth Affairs (DETYA) in the 1998/99 financial year of legal advice obtained from the Attorney-General's Department, incorporating the Australian Government Solicitor was \$927,589. The cost figures include payments made for legal advice by the (then) Department of Employment, Education, Training and Youth Affairs, between July and October 1998, but only in so far as they related to functions which remained in DETYA after October 1998.

(2) The total cost to the Department of Education, Training and Youth Affairs in the 1998/99 financial year of legal advice obtained from private external sources was \$168,990. The cost figures include payments made for legal advice provided by private external sources which were incurred by the (then) Department of Employment, Education,

Training and Youth Affairs, between July and October 1998, but only in so far as they related to functions which remained in DETYA after October 1998. Legal advice was also obtained from the Department's in-house lawyers, however, the costs of these legal services for the 1998/99 financial year cannot be readily quantified.

Department of Immigration and Multicultural Affairs: Cost of Legal Advice from Attorney-General's Department

(Question No. 1728)

Senator Faulkner asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 2 November 1999:

(1) What has been the total cost to the department, and each agency in the portfolio, of legal advice obtained from the Attorney-General's Department in the 1998-99 financial year.

(2) What has been the total cost to the department, and each agency in the portfolio, in the 1998-99 financial year of legal advice obtained by the department from other sources.

Senator Vanstone—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator's question:

(1) Department—\$931,974.90; RRT—\$4,454.00; MRT/IRT—Nil.

(2) Department—\$285,039.55; MRT/IRT—\$15,370.00; RRT—Nil.

Department of Family and Community Services: Salary Costs

(Question No. 1739)

Senator Faulkner asked the Minister for Family and Community Services, upon notice, on 2 November 1999:

As a dollar amount, and as a percentage of the department's total outlay on salaries, what was the cost in the 1996-97, 1997-98 and 1998-99 financial years of: (a) staff training; (b) consultants; and (c) performance pay.

Senator Newman—The answer to the honourable senator's question is as follows:

Staff training: Department of Social Security 1996-97 \$15,594,877 (1.64%); 1997-98 \$848,452 (1.78%) and Department of Family and Community Services 1998-99 \$7,904,312 (3.65%); Centrelink 1997-98 \$3,806,521 (0.35%) and 1998-99 \$6,134,156 (0.57%).

- . Consultants: Department of Social Security 1996-97 \$4,021,174 (0.42%); 1997-98 \$5,753,900 (12.04%) and Department of Family and Community Services 1998-99 \$10,423,061 (4.82%); Centrelink 1997-98 \$9,571,653 (0.87%) and 1998-99 \$7,011,157 (0.66%).
- . Performance Pay: Department of Social Security 1996-97 \$341,543 (0.04%); 1997-98 \$374,066 (0.78%) and Department of Family and Community Services 1998-99 \$59,824 (0.03%); Centrelink 1997-98 \$201,294 (0.02%) and 1998-99 \$160,783 (0.02%).

The above figures are in respect of the Department of Social Security for 1996-97 (before the creation of Centrelink), Department of Social Security and Centrelink for 1997-98, and the former Department of Social Security for the full 1998-99 financial year, together with the elements of the Attorney-General's Department, the former Department of Family and Community Services (including CRS Australia) and the Child Support Agency that combined to form the Department of Family and Community Services in October 1998 for the period 21 October 1998 to 30 June 1999, and Centrelink for 1998-99.

Department of Foreign Affairs and Trade: Departmental Decisions Reviewed Under Common Law

(Questions Nos 1457 and 1462).

Senator Faulkner asked the Minister representing the Minister for Foreign Affairs and the Minister for Trade, upon notice, on 20 September 1999:

- (1) Since 3 March 1996, how many decisions of the department and all portfolio agencies have been the subject of applications for review under the common law, including prerogative writs.
- (2) Of these applications, how many related to: (a) agency staffing matters; (b) agency client matters; or (c) other (please specify general area).
- (3) How many applications: (a) have been: (i) finalised, and (ii) withdrawn by the applicant; and (b) remain unfinalised.
- (4) (a) What was the cost to the department or agency of defending each of these actions; and (b) what was the quantum of costs where they were awarded against the Commonwealth, where appropriate.

Senator Hill—The Ministers for Foreign Affairs and Trade have provided the following information in response to the honourable senator's questions:

Enquiries were made of the Department's legal advisers and agencies and the following statistics have been provided:

- (1) 1
- (2) (a) 0
- (b) 0
- (c) 1 Genocide
- (3) (a) (i) 1 (but application has been made to appeal)
- (ii) 0
- (b) 0
- (4) (a) Total costs to date \$0.00 as no account has yet been rendered (court found in favour of the Commonwealth but no decision was made as to costs—costs issue likely to be resolved on appeal).
- (b) No costs awarded against the Commonwealth.

Department of Foreign Affairs and Trade: Departmental Decisions Reviewed Under the Administrative Decisions Act

(Questions Nos 1439 and 1444)

Senator Faulkner asked the Ministers representing the Minister for Foreign Affairs and the Minister for Trade, upon notice, on 20 September 1999:

- (1) Since 3 March 1996, how many decisions of the department and all portfolio agencies have been the subject of applications for review under the Administrative Decisions (Judicial Review) Act 1977.
- (2) Of these applications, how many related to: (a) agency staffing matters; (b) agency client matters; or (c) other (please specify general area).
- (3) How many applications: (a) have been: (i) finalised, and (ii) withdrawn by the applicant; and (b) remain unfinalised.
- (4) (a) What was the cost to the department or agency of defending each of these actions; and (b) what was the quantum of costs where they were awarded against the Commonwealth, where appropriate.

Senator Hill—The Ministers for Foreign Affairs and Trade have provided the following information in response to the honourable senator's questions:

Enquiries were made of the Department's legal advisers and agencies and the following statistics have been provided:

- (1) 8
- (2) (a) 3
- (b) 0
- (c) 3 Passport

1 Freedom of Information

1 Ministerial Certificate

(3) (a)(i) 1

(a)(ii) 2

(b) 5

(4) (a) While precise figures are not ascertainable without unreasonable diversion of resources, the Department's legal advisers have attributed costs to date, based on accounts rendered, of \$69,385.50.

(b) No costs were awarded against the Commonwealth in the matters which have been finalised or withdrawn.

Aged Care: Accommodation Places

(Question No. 1234)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 12 August 1999:

Can information be provided on residents in aged care for the 1997-98 and 1998-99 financial years, as well as projected estimates for the 1999-2000 financial year, with reference to the following:

(1) How many permanent places were provided in each year (please specify the number of high and low care places).

(2) How many places were occupied by a resident paying an accommodation charge (please specify for high and low care places).

(3) What were the total amounts raised through accommodation charges.

(4) Of those paying an accommodation charge, how many were assisted residents (please specify for high and low care places).

(5) What was the total cost of the assisted resident supplement paid to providers for assisted residents who were paying an accommodation charge (please specify for high and low care places).

(6) How many places were occupied by a resident paying an accommodation bond (please specify for high and low care places).

(7) Of those paying an accommodation bond, how many were assisted residents (please specify for high and low care places).

(8) What was the total cost of the assisted resident supplement paid to providers for assisted residents who were paying an accommodation bond (please specify for high and low care places).

(9) How many places were occupied by concessional residents (please specify for high and low care places).

(10) What was the total cost of the concessional supplement paid to providers for concessional

residents (please specify for high and low care places).

(11) On average across the year, how many places were occupied by residents who were in residential care on 30 September 1997 (please specify for high and low care places).

(12) What was the value of the transitional resident supplement paid to providers for residents who were in residential care on 30 September 1997.

(13) What was the total cost of the transitional resident supplement paid to providers for concessional residents (please specify for high and low care places).

(14) Were there any residents who were not included in any of the above groups, that is, were there any residents who: (a) did not pay an accommodation bond or charge, including assisted residents; (b) were classified as a concessional resident; or (c) were in residential care prior to 1 October 1997; if so, can information be provided on their circumstances and numbers.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) The number of places at 30 June 1998: high care—74,724; low care 65,000

The number of places at 30 June 1999 and projections for 30 June 2000 are not yet available.

(2) Only residents entering high level (nursing home) care are eligible to pay the accommodation charge. The Department does not collect data on the number of places occupied by residents paying accommodation charges. The accommodation charge amount, if any, is determined by private agreement between the resident and the residential aged care service. The accommodation charge amount is kept by the service, and does not affect Government subsidies.

(3) The amounts raised through accommodation charges have been estimated at \$31.2 million for 1997-98 and \$83.9 million for 1998-99.

(4) Refer to (2)

(5) Refer to (2)

(6) Refer to (2)

(7) Refer to (2)

(8) Refer to (2)

(9) Concessional resident ratios are calculated as a percentage of new (ie. residents who have entered care since 30 September 1997) resident bed days occupied by concessional and assisted residents. This ratio is used to determine whether services are meeting their concessional targets. At July 1998 the ratios were:

High Care: 48.4%

Low care: 42.5%

At April 1999 the ratios were:

High Care: 52.7%

Low care: 44.8%

No figures are available for July 1999.

(10) Expenditure on concessional resident supplements is not able to be disaggregated for high and low residents. The total and projected expenditure on concessional resident supplements is as follows:

1997-98 \$15,229,599

1998-99 \$65,193,273

1999-00 \$130,813,640

(11) Around 107,000 residents who were in care on 30 September 1997 were still in care on 30 June 1998, comprising around 57,000 in high care and 50,000 in low care. On 30 June 1999 this number had fallen to around 84,000, comprising around 46,000 in high care and 38,000 in low care.

(12) Transitional resident supplements are only payable for residents who were in care on 1 October 1997 or who entered an uncertified service after that date. Total and Projected expenditure is as follows:

1997-98 \$28,495,440

1998-99 \$64,805,672

1999-00 \$50,241,660

(13) Transitional resident supplements are only payable for residents who were in care on 1 October 1997 or who entered an uncertified service after that date. These residents are not eligible for concessional resident supplement.

(14) (a) The Department does not collect data on the number of residents not paying accommodation charges or bonds.

(b) See (9)

(c) See (11)

Aged Care: Budget

(Question No. 1238)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 12 August 1999:

With reference to recent claims about increases to the residential aged care budget:

(1) Can the items included in the estimations of \$2.5 billion and \$3.5 billion respectively be detailed.

(2) Is the residential aged care administered budget for 1999-2000 financial year, as detailed in the material provided by the department in estimates hearings, \$3.175 billion.

(3) Can estimations be provided on the costs associations with the following factors over the period 1995-96 to 1999-2000: (a) the increase in residential places; (b) the increases in residential care subsidies; and (c) the increase in residents' dependency levels.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

(1) The \$2.5 billion (1995-96) and \$3.5 billion (1999-2000) quoted include residential aged care funded by both the Department of Health and Aged Care and the Department of Veteran's Affairs for care delivered under the Aged Care Act 1997.

(2) The budgeted estimate for residential aged care funded by the Department of Health and Aged Care for 1999-2000 is \$3,119,512,000 as appearing in the Portfolio Budget Statement. This is also the figure that was provided in the estimates hearings. The remainder of the \$3.5 billion appears in the Department of Veteran's Affairs Portfolio Budget Statement.

(3) In 1997-98 the new residential aged care system came into effect. Places can not be compared as the places in the old and the new systems can not be aligned, Nursing Homes and Hostels were indexed using different parameters to Residential Care and the measurement of resident dependency has changed significantly.

Department of Employment, Workplace Relations and Small Business: Cost of News Clipping Services

(Question No. 1285)

Senator Robert Ray asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 23 August 1999:

(1) What is the annual cost to the department of news clippings purchased or produced by the department.

(2) (a) Are the clippings provided regularly to the appropriate shadow ministers; and (b) in each instance, which shadow ministers receive a copy of the department's news clippings.

(3) (a) Are they provided to the appropriate Australian Democrats' spokespersons; and (b) in each instance, which spokespersons receive a copy of the department's news clippings.

(4) Are the department's clippings routinely provided to other members of Parliament; if so, which members and/or senators and in what capacity are they provided with a copy of the department's clippings.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator's question:

(1) The Department of Employment, Workplace Relations and Small Business was created on 21 October 1998. The news clippings service purchased by the department for the period 1 November 1998 to 30 June 1999 cost \$25,517.78 (this cost covered the copyright fee and the selection and assembly of the clippings). Duplicating and delivery of the news clippings cost \$138,815.56 for the period 1 November 1998 to 30 June 1999. The cost of the clippings for the department can vary according to the range of issues and the frequency of coverage that arises.

(2) No.

(3) No.

(4) The department's news clippings are provided to the Minister for Employment, Workplace Relations and Small Business, the Hon Peter Reith MP, the Minister for Employment Services, the Hon Tony Abbott MP, the Minister Assisting the Prime Minister for the Public Service and Minister for Education, Training and Youth Affairs, the Hon Dr David Kemp MP, and the Minister for Communications, Information Technology and the Arts, Senator the Hon Richard Alston who represents the Minister for Employment, Workplace Relations and Small Business in the Senate.

**Department of Health and Aged Care:
Cost of News Clipping Services**

(Question No. 1288)

Senator Robert Ray asked the Minister representing the Minister for Health and Aged Care, upon notice, on 23 August 1999:

(1) What is the annual cost to the department of news clippings purchased or produced by the department.

(2) (a) Are the clippings provided regularly to the appropriate shadow ministers; and (b) in each instance, which shadow ministers receive a copy of the department's news clippings.

(3)(a) Are they provided to the appropriate Australian Democrats' spokespersons; and

(b) in each instance, which spokespersons receive a copy of the department's news clippings.

(4) Are the department's clippings routinely provided to other members of Parliament; if so, which members and/or senators and in what capacity are they provided with a copy of the department's clippings.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

(1) The cost to the Department of Health and Aged Care of news clippings purchased and produced by the Department in the 1998/99 financial year was \$303,699.

(2) (a) Yes.

Ms J.L. Macklin MP, Shadow Minister for Health and Senator C.V. Evans, Shadow Minister for Family Services and Ageing.

(3) (a) Yes.

(b) Senator M.H. Lees, Leader of the Australian Democrats.

(4) The Department's clippings are provided on a daily basis to the Hon Dr Michael Wooldridge MP, the Hon B.K. Bishop MP, and to Senator the Hon G.E.J. Tambling. These clips are provided to these members and senators in their capacity as Minister for Health and Aged Care, Minister for Aged Care and Parliamentary Secretary for the Department of Health and Aged Care respectively.

**Minister for Employment, Workplace
Relations and Small Business:
Departmental Liaison Officers**

(Question No. 1300)

Senator Robert Ray asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 23 August 1999:

(1) How many departmental liaison officers are employed in, or were seconded to, the Minister's office as at 23 August 1999.

(2) (a) What are the names of the officers; (b) what are their employment classifications; and (c) what duties are they assigned, that is, to which policy areas or agencies are they allocated responsibility.

(3) What was the total cost to the department of these officers.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator's question:

(1) Two.

(2) (a) Ms Sadie McHugh (from 21 October 1998 to 23 August 1999) and Ms Janine Pitt (from 26 November 1998 to 23 August 1999);

(b) Ms McHugh—APS Level 6 (from 21 October 1998 to 31 July 1999), Executive Level 1 (from 1 August 1999 to 23 August 1999); Ms Pitt—Executive Level 1;

(c) These officers undertake administrative duties with regard to liaison between the department and the Minister's office.

(3) For the period from 21 October 1998, being the date on which the Second Howard Ministry was sworn in, to 23 August 1999, the total cost to the department of these officers including salary, superannuation, travel, overtime or ministerial staff allowances and other identifiable expenses was \$129,450.

**Minister for Employment Services:
Departmental Liaison Officers**

(Question No. 1319)

Senator Robert Ray asked the Minister representing the Minister for Employment Services, upon notice, on 23 August 1999:

(1) How many departmental liaison officers are employed in, or were seconded to, the Minister's office as at 23 August 1999.

(2) (a) What are the names of the officers; (b) what are their employment classifications; and (c) what duties are they assigned, that is, to which policy areas or agencies are they allocated responsibility.

(3) What was the total cost to the department of these officers.

Senator Alston—The Minister for Employment Services has provided the following answer to the honourable senator's question:

(1) One

(2) (a) Ms Danielle Moore from 21 October 1998 to 9 July 1999; Mr Allan Roche from 12 July 1999 to 23 August 1999;

(b) Executive Level 1;

(c) The officer who occupies this position undertakes administrative duties with regard to liaison between the department and the Minister's office.

(3) For the period from 21 October 1998, when the Second Howard Ministry was sworn in, to 23 August 1999, the total cost to the department of the officers in this position (including salary, superannuation, travel, overtime or ministerial staff allowances and other identifiable expenses) was \$75,472.

**Office Holders Under Section 67 of the
Constitution**

(Question Nos 1016—1087).

Senator Faulkner asked the Ministers listed below, upon notice, on 4 June 1999:

Minister representing the Prime Minister; Minister representing the Minister for Trade; Minister representing the Treasurer; Minister

representing the Minister for Transport and Regional Services; Minister for the Environment and Heritage; Minister for Communications, Information Technology and the Arts; Minister representing the Minister for Employment, Workplace Relations and Small Business; Minister for Family and Community Services; Minister representing the Minister for Foreign Affairs; Minister representing the Minister for Defence; Minister representing the Minister for Health and Aged Care; Minister representing the Minister for Education, Training and Youth Affairs; Minister for Industry, Science and Resources; Minister representing the Attorney-General; Minister representing the Minister for Agriculture, Fisheries and Forestry; Minister representing the Minister for Immigration and Multicultural Affairs; Minister representing the Minister for Veterans' Affairs; and the Minister for Aboriginal and Torres Strait Islander Affairs.

(Question Nos 1016-1033)

How many new office-holder positions under section 67 of the Constitution were created within the department and agencies which now comprise the Minister's portfolio during the period November 1975 to March 1983.

(Question Nos 1034-1051)

How many new office-holder positions under section 67 of the Constitution were created within the department and agencies which now comprise the Minister's portfolio during the period March 1983 to March 1996.

(Question Nos 1052-1069)

(1) How many office-holder positions under section 67 of the Constitution were created within the department and agencies which now comprise the Minister's portfolio during the period March 1996 to 1 June 1999.

(2) Can the following details be provided for each of these positions: (a) the title of the position; (b) the agency within which it was created; (c) the date the position was created; (d) where relevant, any other statutes which underpin the position; (e) who made the decision to create the position; (f) the date of the Remuneration Tribunal decision relating to the position; (g) the salary level, and the value of the total salary package; (h) the period of the position's tenure; (i) whether the position was filled; (j) the name of the original appointee to the position, and where appropriate, the name of the current appointee to the position; (k) the selection process used in relation to the position; and (l) the decision-maker in relation to the filling of the position prior to consideration by the Executive Council.

(3) Where appropriate, what was the title and classification of the position which was intended to be replaced by the newly created office-holder position.

(4) In the case of the establishment of positions which have no statutory basis other than section 67 of the Constitution, can details be provided of the responsibilities of the position and the rationale for its creation.

(Question Nos 1070-1087)

(1) As of 1 June 1999, how many office-holder positions under section 67 of the Constitution exist within the department and portfolio agencies.

(2) How many of those positions became vacant during the period March 1996 to 1 June 1999.

(3) (a) What is the name of the person who had held the position prior to the vacancy; (b) when did the position become vacant; and (c) what was the reason for the vacancy.

(4) In each case: (a) how long was the position vacant (that is, not filled permanently); and (b) if there was an acting filling of the vacant position, what was the name of that acting officer.

(5) In each case, where appropriate, what was: (a) the date of the decision to permanently fill the position; (b) the name of the person appointed to the position; (c) the nature and reason for any change in the remuneration package for the appointee compared to that applying to the former occupant of the position; and (d) the nature and reason for any change in the responsibilities and duties of the position for the appointee compared with that applying to the former occupant of the position.

(6) In each case where there was no person permanently filling any of these positions, what was the reason that the position had not yet been filled.

Senator Hill—The Prime Minister has provided the following answer, on behalf of those Ministers, to the honourable senator's questions:

I am advised that the sum of the resources required to conduct a comprehensive search of records across portfolios would represent an unwarranted diversion of the resources of departments and agencies.

However, to assist the honourable senator, on the basis of information that is readily available, my department has been able to identify the following appointments made by the Governor-General in Council under section 67 of the Constitution within the period November 1975 to 1 June 1999. Although the list of ministers to whom the questions were directed did not include the Minister for Finance and Administration, section 67 appointments in that portfolio have been included in the following list.

The section 67 process applies to the appointment of an individual rather than the creation of an

office or position. In each case the appointment was recommended by the relevant responsible minister to the Governor-General in Council. The remuneration and terms and conditions for the appointments varied from case to case, and did not necessarily involve determination by the Remuneration Tribunal.

- Alan Keveral Cumming Newton Wrigley, appointed Special Adviser to the Minister for Industry, Technology and Commerce on the Multifunction Polis Project, for the period 8 October 1988 to 31 December 1990;
- James Andrew Macdonald, appointed Chief Government Information Officer, Office of Government Information Technology (OGIT), for the period 17 July 1995 to 31 July 1998 (located in the Finance/Finance and Administration portfolio);
- Glenys Joy Roper, appointed Chief Government Information Officer, Office of Government Information Technology, on 4 March 1998 for a period of three years (function subsequently transferred from the Finance and Administration portfolio to the Communications, Information Technology and the Arts portfolio to become Office for Government Online);
- Michael James Hutchinson, appointed Chief Executive, Office of Asset Sales, on 4 December 1996 for a period of three years (located in the Finance/ Finance and Administration portfolio; renamed Office of Asset Sales and Information Technology Outsourcing in November 1997);
- Robert Mansfield, appointed Strategic Investment Coordinator, for a period of two years from 1 February 1998 (located in the Prime Minister's portfolio);
- Paul Twomey, appointed Chief Executive Officer, National Office for the Information Economy, on 4 February 1998 for a period of three years (located in the Communications, the Information Economy and the Arts/ Communications, Information Technology and the Arts portfolio); and
- Gwenyth Jane Andrews, appointed Chief Executive, Australian Greenhouse Office, on 4 March 1998 for a period of two years (located in the Environment/Environment and Heritage portfolio).

In addition, successive Directors-General of the Australian Secret Intelligence Service were also appointed by the Governor-General under section 67 of the Constitution.

If the honourable senator wishes to know the details of any particular appointment, I shall examine the matter to see if he can be provided with that information.

Monday, 6 December 1999

SENATE

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