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Tuesday, 9 May 2000

The **PRESIDENT (Senator the Hon. Margaret Reid)** took the chair at 2.00 p.m., and read prayers.

REPRESENTATION OF NEW SOUTH WALES

The **PRESIDENT** (2.00 p.m.)—I inform the Senate that Senator Brownhill resigned his place as a senator for the state of New South Wales on 14 April 2000. Pursuant to the provisions of section 21 of the Constitution, the Governor of New South Wales was notified of the vacancy in the representation of that state caused by the resignation. I table the letter of resignation and a copy of the letter to the Governor of New South Wales. I have received, through the Governor-General, from the Governor of New South Wales, a facsimile copy of the certificate of the choice by the houses of parliament of New South Wales of Sandy Macdonald to fill the vacancy caused by the resignation of Senator David Brownhill. I table the document.

SENATORS: SWEARING IN

Senator Sandy Macdonald made and subscribed the oath of allegiance.

MINISTERIAL ARRANGEMENTS

Senator HILL (South Australia—Minister for the Environment and Heritage) (2.03 p.m.)—by leave—I inform the Senate that Senator Newman, the Minister for Family and Community Services, the Minister Assisting the Prime Minister for the Status of Women, the Minister representing the Minister for Veterans' Affairs and the Minister representing the Minister for Defence, will be absent from the Senate this week. Senator Newman is unwell. During Senator Newman's absence, Senator Herron will be the Minister representing the Minister for Family and Community Services, Senator Ellison will be the Minister representing the Minister for Veterans' Affairs, and the Minister representing the Minister for Defence, Senator Vanstone, will answer questions on women's policy.

QUESTIONS WITHOUT NOTICE

Aboriginals: Reconciliation

Senator FAULKNER (2.04 p.m.)—My question is directed to Senator Hill representing the Prime Minister. I ask: did the Prime Minister himself, a member of his staff or an officer of his department ring Government House late on the night of 27 April to request that the Governor-General withdraw his stated intention to accept the Council for Aboriginal Reconciliation declaration at Corroboree 2000 later this month? Why was this request made?

Senator HILL—Not surprisingly, I do not know the answer to that question, but I will refer it to the PM and see whether there is anything he wishes to say. Of course, under our constitutional structure, the Governor-General acts on the advice of the Prime Minister.

Senator FAULKNER—Madam President, I have a supplementary question. I am surprised, given the amount of press coverage there was of this incident, that the Leader of the Government in the Senate does not have an answer. Could he explain why the Prime Minister believes that it is inappropriate for the Australian representative of our head of state—as the Governor-General has been described on a number of occasions by the Prime Minister, particularly during the recent referendum campaign—to receive this document as the culmination of a decade of bipartisan work towards reconciliation?

Senator HILL—I will refer the supplementary as well and see whether the Prime Minister wants to respond.

Economy: Families

Senator SANDY MACDONALD (2.06 p.m.)—My question is to Senator Hill, the Leader of the Government in the Senate. Minister, would you inform the Senate of the Howard-Anderson government's success in strengthening the Australian economy in its first four years of office? How have these policies improved the employment prospects for and quality of life of Australian families?

Senator HILL—It is good to have Senator Sandy Macdonald back, and he is asking

serious questions again. His emphasis upon the coalition is well placed as well because the achievements of this government have been as a result of a strong coalition between the Liberal Party and the National Party. Tonight's federal budget comes against the background of four years of sound and responsible management of the Australian economy. It is worth taking another quick look at that record of achievement.

Economic growth is at 4.3 per cent, despite the turmoil of the Asian economic crisis. Inflation has been under three per cent for 15 successive quarters. I remind the Senate that the average inflation rate under Labor was over five per cent. Under the coalition, it is under three per cent; under Labor, over five per cent. Interest rates are around 7.5 per cent. We all remember the Labor peak of 17 per cent for interest rates. More than 660,000 jobs have been created, with unemployment down to 6.9 per cent. Again, compare that with the Labor record: up to one million unemployed, a peak of 11.2 per cent unemployed and an average unemployment rate of 8.7 per cent. We have delivered this by getting the fundamentals right. We have brought the budget back into surplus for the past three years, in contrast with Labor. Labor ran up deficits of \$80 billion in its last five years in office. This government has been in surplus for three years; Labor had \$80 billion of debt in its last five years in office.

Senator Bolkus—Tired old story.

Senator HILL—The latest indications from the Reserve Bank *Semi-annual statement on monetary policy* are even more good news. That statement says:

Economic growth in Australia is likely to remain quite robust over the year ahead ...

The Reserve Bank also pointed to continued growth in exports, a view supported by the latest trade figures, which show Australian exports up by \$230 million in March.

Senator Bolkus—No thanks to you.

Senator HILL—So tonight's budget will come with the Australian economy in a strong position—a strong contrast to that which we inherited from Labor four years ago.

Senator Bolkus—What have you done to the dollar?

The PRESIDENT—Order! The persistent interjecting on my left is disorderly.

Senator HILL—Getting these economic fundamentals right is vital to our efforts to deliver a fairer social security system, better health services and better education opportunities. I note a study by the University of Melbourne published in the *Australian* this morning, which shows that the government is spending on both health and social security.

Senator Bolkus—What about education?

The PRESIDENT—Senator Bolkus, your behaviour is disorderly.

Senator HILL—That spending has risen significantly under the Howard government—social security and education. The report shows that spending under the Howard government for social security and welfare has jumped almost \$200 per person—an increase of almost eight per cent on Labor's last year in government. So here we are: unemployment is down, but spending on social security has not come down on a per capita basis under this government. It has actually risen. It also shows that spending on health has increased by \$130 per person under the Howard government—a jump of almost 13 per cent on Labor's last year. Because we have the economics right, because we have the budget in surplus, because we are now able to pay our own way, we are able to give significant benefits to all Australians, particularly those in need. (*Time expired*)

Telstra: Phone Bills

Senator MARK BISHOP (2.10 p.m.)—My question is to Senator Alston, the minister for communications. Does the minister stand by his spokesperson's claim, reported in the *Herald Sun* on Friday, 5 May, that 'there aren't too many people in lower-income brackets who would have a \$50 phone bill' and who might therefore be hit by Telstra's new \$5 fine for late payment of phone bills? On what evidence did the minister's spokesperson base this claim? What percentage of Telstra subscribers receive phone bills of under \$50? If the minister is unable to provide this data, will he undertake to obtain it and provide it to the

and provide it to the Senate as soon as possible?

Senator ALSTON—I am happy to see what information we can obtain and to provide it to the opposition in a presumably vain attempt to see that these debates proceed on the basis of facts rather than rhetoric. I am not aware of comments to that effect, but I am aware that Telstra is introducing a \$5 administrative fee for late payment of accounts and that it will apply to unpaid accounts that are over \$50 if payment has not been received 14 days after the due date. Telstra advises the fee is not a penalty, because only courts can impose fines or penalties. The fee covers the cost to Telstra of administering late payments, and Telstra expects the fee to encourage customers to pay their bills on time. The fee is authorised by part 23 of the Telecommunications Act, which enables the terms and conditions on which telecommunications related goods and services are supplied to be set out in a standard form of agreement formulated for the purposes of that part.

Other carriers apply similar fees. Bad debts and credit management cost Telstra \$180 million a year. If the opposition's real point is that Telstra should simply sit quietly and watch \$180 million a year go down the drain, that is utterly irresponsible. I have not heard any suggestion that you want the line drawn in any other place. It is presumably the usual two bob each way strategy—in other words, as Daryl Melham put it in immortal terms, 'We have all these concerns, but we're not proposing to do anything about it.' I presume your position here is: 'We'll try and exploit this as much as we can, but we don't actually think Telstra ought to be doing something differently.' If that is an unfair characterisation, let us hear about it. Tell me that you think Telstra should simply allow people to have debts outstanding for that period of time to the detriment of the carrier, the provider. They can go elsewhere if they do not like the fees being charged. But there are very many people in this category, and that is \$180 million that could be used for a lot of other purposes, particularly providing services to those in rural and remote areas—whom you profess to have concerns about,

but you have never been prepared to stump up one red cent to help. That is why you opposed the Networking the Nation proposal and why you have always opposed our social bonus initiatives. In other words, you not only do not believe—

The PRESIDENT—Senator Alston, your remarks are to be directed to the chair, not across the chamber.

Senator ALSTON—Sorry, Madam President. The Labor Party not only takes the position that it does not support any of those initiatives; it does not even want to see Telstra protecting its revenue base so it has an increased capacity to fund those commitments. I will find whatever figures I can and pass them on, but I hope it will lead to Labor's true position on this issue being put on the public record.

Senator MARK BISHOP—It is unfortunate that the minister chooses to avoid the point of the question, which was that his spokesperson alleged there were very few who would be affected by the \$50 phone bill. That is the point of the question. In that context, Madam President, I ask a supplementary question to the minister: can the minister confirm that average quarterly rental charges for a standard phone are \$49.05 and that pensioners who are entitled to a telephone allowance receive a maximum of \$16 per quarter to defray the cost of their phone bills? Does he acknowledge that, on this basis, there would be very few telephone users who would receive a quarterly bill of under \$50?

Senator ALSTON—In general terms, it depends entirely on how much you use the phone. What is at issue here is the extent to which people can afford to pay their bills on time but choose not to. If they cannot afford to pay, then they can contact Telstra and make alternative arrangements, and my understanding is they would not be subject to this additional impost. But if they simply take the view that they can afford to disregard their obligations and have Telstra wear the additional cost, then I do not think that is reasonable. It is quite proper for a carrier to take action in line with its competitors.

Senator Lundy—Why are you bothering to defend Telstra?

Senator ALSTON—I am sorry, do you have some good news to announce? Have you finally been appointed the shadow minister for IT, or are you still languishing in the shadows? (*Time expired*)

Families: Government Policy

Senator KNOWLES (2.16 p.m.)—My question is addressed to Senator Herron as the Minister representing the Minister for Family and Community Services. The coalition government has been able to demonstrate a strong commitment to Australian families and communities as a result of its responsible economic management. I therefore ask the minister whether he will explain to the Senate recent government initiatives that will further assist families and communities.

Senator HERRON—I thank Senator Knowles for her question and for her continued interest in this area. As you are aware, Senator Newman is not with us today, and it is in her area. The Howard government has demonstrated a strong commitment to Australian families through successive budget initiatives such as the family tax initiative. On top of that, the reforms to Australia's tax system mean the government will be able to provide a \$2.5 billion increase in benefits for families. Families and communities are reaping the benefit of the government's responsible economic management, and Senator Newman has been the driving force behind the government's family policies.

Government senators—Hear, hear!

Senator HERRON—I congratulate her for her good work. The government's \$240 million Stronger Families and Communities Strategy will particularly benefit families living in regional and rural areas and those generally disadvantaged, including indigenous communities. The strategy reinforces that preventative and early intervention initiatives can play an important role in reducing welfare dependency and in helping families and communities solve their own problems. The strategy builds on our safety net initiatives geared towards providing practical

assistance in preventing social problems and actively helping people re-engage in society.

Some \$115 million of the nearly \$240 million strategy will go to regional Australia. Community programs will provide practical support to help develop, trial and showcase local solutions. The measures that make up the \$240 million strategy include \$40 million for a stronger families fund to support parents and families caring for young children; \$47.3 million for early intervention, parenting and family relationship support; \$65.4 million for greater flexibility in child care and to better meet the needs of families; and \$20.2 million will go to a longitudinal study of Australian children over the next nine years. This will assist in policy development and examine the effectiveness of early intervention and prevention strategies.

There will also be \$37.1 million over four years for an initiative to identify and develop between 1,600 and 2,400 potential community leaders. There will be \$15.8 million over four years to implement a national skills program for volunteers, including a celebration of the International Year of the Volunteer in 2001. This is a substantial package, but other initiatives include \$15.5 million over four years for flexible local solutions to local problems initiatives, \$5.2 million over four years for the can-do community initiative to showcase Australian best practice and encourage community participation; and \$8 million for a national communications strategy to encourage early intervention and prevention services.

Australian families and communities know their needs. The government respects this community knowledge, will work from the bottom up and will be sensitive to changing circumstances and to diversity. Real change can occur only in this way. With support, communities and families have a better chance to take control and grasp opportunities themselves. This \$240 million strategy adds to the extra expenditure the Howard government has made on social policy. This government is not only financially responsible but also determined to help those who are in genuine need.

Immigration: Zimbabwe

Senator COOK (2.20 p.m.)—My question is to Senator Vanstone in her capacity as Minister representing the Minister for Immigration and Multicultural Affairs. What is the government's position in relation to requests for migration to Australia from residents of Zimbabwe? Does the government agree with Senator Lightfoot's calls for white Zimbabwean farmers to be given safe haven in Australia because black Zimbabweans 'don't qualify under my terms of compatibility'? If not, what action has the government taken to ensure that Senator 'Whitefoot' is aware of its position?

Senator VANSTONE—I thank Senator Cook. I am not sure whether he is incapable of reading his own question or thought he was funny in mispronouncing a senator's name, but the joke did not seem to be something that caught on on his side. In relation to Zimbabwe, I have a general possible parliamentary question from the Minister for Immigration and Multicultural Affairs. That information might be of use to Senator Cook if he is seriously interested in this issue. The Australian government is obviously concerned about recent events in Zimbabwe and is monitoring the situation closely. It is premature at this stage to speculate on whether or not a refugee situation is likely to develop as a result of what is currently occurring. Should the situation deteriorate and the international community determine that there is a need to assist, we will consider providing assistance in an international burden sharing context.

The nature of that assistance that could be provided will depend on the circumstances at the time and the problem that is faced. This could include resettlement if the United Nations High Commissioner for Refugees assessed that this form of assistance was required. The humanitarian program targets those in greatest relative need of resettlement and who have no other option. Applicants who have access to another nationality or who have right of residence in another country where they do not face persecution would not be eligible for resettlement in Australia. As to any specific remarks made by other senators or people generally, I will ask the

minister for immigration if he cares to comment.

Senator COOK—Madam President, I ask a supplementary question. Can the minister confirm that casualties among black Zimbabwean farm workers are very high and that race is not and will not be a factor—whatever Senator Lightfoot's views might be—in assessing the claims of Zimbabweans seeking migration to Australia or in Australia determining, in your words, Minister, 'burden sharing assistance' in relieving the problems in Zimbabwe?

Senator VANSTONE—Senator Cook, I do not have any further advice than that which I have given you. I am unaware of whether there is greater harm being suffered by one portion of the community or another, but I will refer your supplementary question to Minister Ruddock for his advice.

Economy: Infrastructure Investment

Senator LEES (2.23 p.m.)—My question is directed to the Minister for Industry, Science and Resources, Senator Minchin. With the unemployment rate in Sydney at 4.4 per cent and Melbourne at 6.4 per cent but the rest of Australia much higher—averaging eight per cent plus—would the minister agree that Australia is running very much a two-track economy? Does the minister agree with the 'new growth' school of economic thought that public investment in infrastructure is one of the best means for government to promote private sector productivity and jobs, particularly investment in research and development infrastructure?

Senator MINCHIN—I am not the minister responsible for the economy, but I am happy to give my views in response to the question asked by Senator Lees. It is a statement of fact that the performance of the economy has varied from region to region. The government is very conscious of that and does deliberately orchestrate its policies to ensure that recognition is made of the fact that economic performance does vary from region to region. In the case of our government's attitude to our state of South Australia, that is evident in the investment which our government has made in that state. I refer particularly to the Alice to Darwin railway

and the significant benefits the government's \$165 million contribution to that project will have on South Australia.

The specific matter of research and development must be dealt with on merit. Applications for assistance under any of the government's R&D schemes should be, I think, based on the merit of the applicants and should not have some criteria placed on them which give preference one way or the other simply on the location of the particular R&D exercise. However, in relation to the new rules—for example, in the IIF, the Innovation Investment Fund—I specifically directed that the criteria include reference to the question of applicants making their case in relation to regional coverage. So there are areas where account can be taken sensibly of regional coverage of some of these programs.

In relation to research and development, I had the great experience of handing out a certificate in recognition of the R&D work being done by a company called Elphinstone Caterpillar in Burnie, Tasmania. That company is located in a small town in the state which is performing less well than others in an economic sense, but through the leadership of one individual, Dale Elphinstone, it is a world-class company supplying underground mining equipment to the world. These companies show that it does not matter where you are based; you can succeed on world markets and take on the world while based in a town like Burnie in Tasmania. It is a great example of what is possible and a great example of R&D programs under this government which are particularly assisted.

Senator LEES—Madam President, I ask a supplementary question. Minister, is it not the case that the main evidence for overheating in our economy is in Sydney, and as was mentioned it is probably largely due to the Olympics? Isn't there a real risk that the interest rate increases mainly directed there will stall growth in regional and rural areas, hitting them hard? I thank you for your answer in which you gave us some very positive examples of what is happening in regional Australia, but isn't it now the time for government to spend a lot more time and effort on rural and regional Australia, in particular on reinvestment into well-targeted

infrastructure projects? In particular, I go back to research and development, because this is where the jobs of the future will come from.

Senator MINCHIN—This question does frustrate me a little because one of the most important industries for rural and regional Australia happens to be the minerals industry—which I am proud to act for as resources minister—and one of the greatest impediments to that industry at the moment is the refusal of parties like the Democrats to accept the wisdom of state based native title schemes to free up exploration and the mining industry in this country. We have a situation in Queensland where there has hardly been an exploration permit granted. It is a significant regional state that is critically dependent on the mining industry, which is being hindered from the sort of development which the Democrats seek to stimulate by their policies on native title.

Aboriginals: Reconciliation

Senator BOLKUS (2.28 p.m.)—My question is to Senator Herron, the Minister for Aboriginal and Torres Strait Islander Affairs. Does the government agree with former Prime Minister Malcolm Fraser that 'matters of the heart and matters of the spirit' need to be addressed if reconciliation is to become a reality, as well as the raising of Aboriginal people out of Third World living conditions? Does the government agree that foremost amongst these matters of the heart and spirit for Aboriginal people is a national apology to the stolen generations?

Senator HERRON—There are many factors that are important to Aboriginal people. When I travel to Aboriginal communities, as I do—and I do not know that Senator Bolkus ever has—they are worried about a roof over their head. They are worried about clean water supplies. They are worried about sewerage. They are worried about employment. Those are the worries that I get in Aboriginal communities. Everywhere I go, I hear that.

But we have from Senator Bolkus a question such as he has asked today. Symbolism is important—nobody would deny that—but I think it is important that we are united in

the reconciliation process and that we do not cause division in the community, as Senator Bolkus has by asking this question. That is what the opposition are about: causing division in the community.

The government has stated its position. Of course symbolism is important, and I reiterate that to Senator Bolkus. The Prime Minister and I have personally said that we were sorry for the events of the past. There is no question that we have addressed the symbolism that Senator Bolkus raises today. The Council for Reconciliation has prepared a document that it will present to the Australian people, and there will be a response to that. The government has made its position perfectly clear: that actions of the past that were considered legal at the time and were considered to be in the interests of the people concerned do not deserve or do not require an apology.

Senator Bolkus—So they don't deserve one?

Senator HERRON—I qualified that, Senator Bolkus, as you know. They do not require an apology. There is division of opinion on this matter. There is division within the community.

Senator Bolkus interjecting—

The PRESIDENT—Order! Senator Bolkus, this is your question that is being answered.

Senator HERRON—The overwhelming majority of Australians want to see reconciliation occur out of the hearts and minds of people, not have a political football, which is what Senator Bolkus and his ilk are trying to make it. We do not wish to have it as a political football. That is what Senator Bolkus is attempting to do by keeping this question alive. We have stated our position. The position of the government has been consistent. There is division in the community on this particular issue, and Senator Bolkus should acknowledge that division. That division exists, we have addressed it and it is up to the Reconciliation Council to come up with a document which will be put to the Australian people on 27 May.

Senator BOLKUS—Madam President, I ask a supplementary question. I note the

minister is incapable of addressing the first question and is incapable of understanding that this issue will continue to be a live issue until it is resolved. Does the minister agree with Mr Fraser that 'an apology does not imply guilt'?

Senator HERRON—There are many differences of opinion on this too. Mr Fraser has a perfect right to put his position, as everybody in the community has. Everybody in this Senate chamber has a perfect right to put a position.

Senator Faulkner—Do you agree or not?

Senator HERRON—Whether anybody agrees or disagrees with Senator Bolkus's position or Mr Fraser's position is up to them.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the gallery of former Western Australian senator, Christabelle Chamarette. I welcome you to Canberra.

QUESTIONS WITHOUT NOTICE

The PRESIDENT—I call Senator Harradine.

Senator Brown—Madam President, I rise on a point of order. You will be aware that there has been a lot of disagreement about private member's question time, but we have come to an agreement that Senator Harradine would ask a question on Monday and that I would ask a question on Tuesday. The arrangement remains, so the question should go to me today. Senator Harradine is very well aware of this arrangement, and I ask him to keep it.

Senator Harradine—I do apologise. I was advised that other arrangements for this week had been made. I do apologise to you, Madam President, to the Senate and to Senator Brown.

Genetically Modified Crops: Tasmanian Legislation

Senator BROWN (2.33 p.m.)—I thank Senator Harradine for staying with that arrangement. My question is to Senator Herron, representing the Minister for Health and Aged Care, and I ask about genetically modified or engineered crops in Tasmania. Firstly,

can the government say why it has turned down the Tasmanian government's request for an opt-out clause in the Gene Technology Bill? Secondly, why has the government not responded to the requests from the Tasmanian minister for agriculture, Mr Llewellyn, that there be no further field trials in Tasmania in the near future? Thirdly, why is the location of genetically engineered crops in Tasmania and elsewhere not made available? Finally, will the government emulate New Zealand in establishing a royal commission to look into this matter?

Senator HERRON—I thank Senator Brown for the question, and I do have a brief that covers some of the answers. Where they are not covered in the brief, I would be happy to approach the minister to get a definitive answer. The minister is aware that the Tasmanian government has sought a moratorium on the implementation of the government's gene technology legislation, and I can advise the Senate that the government is committed to developing a comprehensive national regulatory system for genetically modified organisms. The Interim Office of the Gene Technology Regulator, in collaboration with Commonwealth, state and territory officials, commenced consultations on the details of a proposed national regulatory system for genetically modified organisms in October 1999, and our intention is to have that national system in place as soon as possible.

We need to face reality and accept that we need a comprehensive system to regulate these products. It is interesting to note that genetically modified crops have actually been grown in Tasmania for many years, with the approval of the Tasmanian government. For the first round of consultations, key interested parties were invited to face-to-face meetings. A discussion paper was released widely and public submissions sought on the proposed regulatory system. The second round of consultations began after information was collated from meetings and submissions from the first round. The Commonwealth's Gene Technology Bill was drafted and released on 24 December last year for public comment, along with a plain language explanatory guide. The closing date

for submissions on the draft bill was 10 March 2000.

In addition to submissions on the draft bill, it is proposed that public forums be scheduled in all capital cities in each state and territory, and I understand that a number of those have occurred. It is also proposed that forums be held in three major regional centres. The Interim Office of the Gene Technology Regulator placed advertisements in all major metropolitan and relevant regional newspapers on the weekend of 29 and 30 January this year and on its web site advising the intention to hold public forums on the draft legislation. I understand that reading that does not answer completely those questions, and I will seek advice from the minister and get back to Senator Brown, if he has anything further to advise.

Senator BROWN—Madam President, I ask a supplementary question. I ask further specifically about the failure of the minister to respond to his Tasmanian counterpart's request that there be no further field trials at this stage—a moratorium on field trials. Is the government going to consider the New Zealand option, while their royal commission takes place, of a 12-month voluntary moratorium on further crops and experimentation? Finally, in view of the fact that there is not a royal commission in Australia, would the government facilitate by mutual convenience, if it is so, the royal commission in New Zealand, headed up by former Chief Justice Sir Thomas Eichelbaum, to sit in Australia to take evidence?

Senator HERRON—As I said previously, I will have to get back to Senator Brown with the minister's answers.

Goods and Services Tax: Home Builders

Senator JACINTA COLLINS (2.37 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the minister confirm reports that the Howard government stands to reap a \$4 million windfall from the collapse of home building company Avonwood because most of these partially completed houses will now not be completed until after the commencement of the GST on 1 July? Will the federal government be providing an exemption from the Howard-Costello GST

for some 900 home buyers exposed to increased building costs through this builder's collapse?

Senator KEMP—Let me make a couple of observations on this question raised by Senator Collins. We have seen in the home building industry, particularly in certain areas in Australia, a significant boom. It is the government that has provided the economic conditions for consumers to feel confident about their large purchases, such as a home. It seems that Avonwood Homes have been unable to complete homes for several reasons. I understand that they have referred to a skills shortage in the building trade, limited supply of tiles, given the demand in Sydney for tiles after the hailstorms, and problems with managing a greater workload. None of these issues are related to the GST. Where home builders will need to complete construction after 30 June 2000 they will have a GST liability for the value of work done after that date. The liability will not be at 10 per cent of the value added because the price of many items used in the construction of a home will be adjusted after the removal of the wholesale sales tax. I make those comments. There was a figure that was mentioned by Senator Collins. I have no information on that figure.

Senator JACINTA COLLINS—Madam President, I ask a supplementary question. Is the Assistant Treasurer aware that the liquidator of Avonwood, Mr Paul Patterson, and John Gaffney from the Housing Industry Association have both cited the rush to beat the GST as a major reason the home builder Avonwood has collapsed? Does the minister agree with these independent views regarding the effect of the impending GST on Avonwood, on its subcontractors and on 900 families around Australia or, indeed, that the impending GST has brought on the closure today of another Melbourne builder, Eastern Park Developments? Why can't the Howard government show the heart to provide some relief from the GST to at least those most hurt by these collapses?

Senator KEMP—As Senator Collins would be aware, the tax reform package brings huge benefits to Australians. This tax package is so good that the Labor Party has

signed on to the GST. Let me make it clear that after all the huffing and puffing that we have seen on previous occasions, the Labor Party has decided to go to the next election with a GST as part of its policy. Any claim that the GST is a problem for Australia is not correct; the GST is a huge advantage for Australia and it forms a major part of the tax reform package that will deliver vast benefits to Australian families and businesses.

Senator Cook—Madam President, I rise on a point of order. When Senator Collins was asking that question about the loss to those Victorians because of the collapse, Senator Hill interjected that it is more money for the Commonwealth and some other points he made which I did not hear.

Senator Hill—Actually I did not say the Commonwealth at all. 'More money for the people,' I said.

Senator Cook—'More money for the government,' you said.

Senator Hill—I didn't say that either.

Senator Carr—Oh, you did. Come on!

The PRESIDENT—Order! Senator Carr, it cannot have escaped your notice that Senator Cook has the call.

Senator Cook—Would you ask him to withdraw that—he did say 'More money to the Commonwealth' and he made some other remarks which I did not hear—because it is offensive to people who have innocently lost their money on this bust building company?

The PRESIDENT—There is no point of order.

Senator Hill—Madam President—

The PRESIDENT—There is an appropriate place to debate answers to questions. There is no point of order.

Car Industry: Used Vehicle Imports

Senator FERGUSON (2.43 p.m.)—My question is to the Minister for Industry, Science and Resources, Senator Minchin. Minister, under the Howard government, the car industry is enjoying its three best sales years ever. Minister, how will the government's decision on used vehicle imports build on existing policies in assisting the domestic car manufacturers?

Senator MINCHIN—I thank Senator Ferguson, who, like all South Australian senators, has a very keen interest in the health of the car industry. Senator Ferguson knows that our whole focus is very much on improving the investment climate for the domestic car industry. We greatly welcome continued investment and providing the certainty that the industry needs for investment, and our policy focuses very much on that objective. Yesterday I announced a cabinet decision on an issue of significant concern to domestic car manufacturers, that is, the issue of the importation of used vehicles, primarily from Japan. Since 1970, Australia has had a scheme whereby low volume production of specialist vehicles could be supplied to the Australian market without having to meet the same consumer protection standards as full volume vehicles. In the late 1980s, under the previous government, that low volume scheme was widened to include the importation of used vehicles into Australia.

The previous government in the early nineties, in order to contain the importation of used vehicles under the full volume scheme, introduced a \$12,000 duty, and that is something which I thought, and continue to think, is a sensible approach. However, that has meant that all the pressure on used vehicle imports has come on to the low volume scheme. As a result, in the last decade, through the nineties, under the low volume scheme, imports of used cars have exploded. Indeed, over the last six years, the importation of passenger motor vehicles has averaged 42 per cent a year growth and the importation of four-wheel drives has grown at 250 per cent a year under this low volume scheme. Of course, the problem with that is that it has meant that local manufacturers and full volume importers have faced increasing competition from imports of passenger motor vehicles and four-wheel drives coming in under less stringent consumer safety standards than those applied to locally built vehicles and full volume imports.

Our decision yesterday is a comprehensive tightening of the low volume scheme, aimed at preventing the abuse of that scheme, while not eliminating that scheme. We think there is a proper place for allowing

limited numbers of specialist and enthusiast vehicles to be imported under what will now be the specialist and enthusiast vehicle scheme. The scheme will now allow a much more level playing field, I think, for domestic manufacturers and full volume importers. It is, after much exhaustive consultation with the wide range of interests involved in this area, a sensible compromise between the claims of the low volume importers themselves and domestic manufacturers.

I remind the Senate that, on top of this very sensible decision, we have the ASIS scheme starting this year, which will provide \$2 billion to the Australian car industry and components industry to stimulate innovation and investment over the next five years. We are also holding tariffs at 15 per cent for the next five years to give the industry time to adjust to a more open trading environment. And, of course, our magnificent tax reforms will benefit the car industry more than any other, with \$2,000 in tax being taken off the average car. As a result of all of these policies, the industry itself is forecasting investment of \$4 billion additional over the next five years in Australia, and annual exports—one of the major beneficiaries of the GST—are expected to climb to \$6 billion a year by 2005. The industry is also forecasting that by 2003 domestic sales will be approaching one million units—a far cry from the bad days of Labor when the industry struggled to sell more than half a million cars. Our policies are providing a very strong investment climate for the car industry, only aided and assisted by our sensible decision yesterday to tighten up the rules on the importation of used vehicles.

Goods and Services Tax: Australian Customs Service

Senator FORSHAW (2.47 p.m.)—My question is directed to Senator Vanstone, the Minister for Justice and Customs. Is the minister aware that the Australian Customs Service has admitted that its new system for handling the estimated \$12 billion to \$13 billion GST liability on imports will not be ready until three months after the GST is introduced? Is the minister concerned that Customs will have to manually process every claim for a GST refund where the importer

making the claim has made a mistake under the Howard government's complicated new GST tax arrangements?

Senator VANSTONE—I thank Senator Forshaw for his question. It gives me the opportunity to clarify just how well Customs, in fact, are doing in ensuring that their systems are ready for the switch-over to the GST on 1 July. Senator Forshaw, you might have taken the opportunity to highlight that Customs will probably be the first agency that needs to be ready because GST will apply to imports, and they will of course start arriving on 1 July, whereas most businesses will in fact have a number of months before they actually have to put in forms. So the preparedness of Customs is quite an appropriate question. Press reports on Customs not being prepared to meet their deadline are, of course, wrong.

Senator Faulkner—Of course.

Senator VANSTONE—Yes, I am able to say 'of course' in this case. I have had some experience over the last four weeks of the media getting things very badly wrong. Customs will be ready to meet the deadline on 1 July. There is an exception, and that exception relates—as you rightly identified, Senator Forshaw—to the processing of refunds of overpaid duty and GST. That can arise where incorrect information has been supplied to Customs by importers or their customs brokers. There is a variety of incorrect information that could apply, for example, the value of goods, the tariff classification, the amount paid for international transport and insurance, or perhaps incorrectly claiming a GST exemption. Those particular areas where someone is seeking a refund because of incorrect information on the form initially will not be fully automated by 1 July, but we will be ready to handle them. They will have to be handled off-line, and it will take probably a couple of months to get that right. Just to put this problem in perspective—to the extent that it is a problem—Customs estimate that 0.3 per cent of total import transactions will be affected.

Senator FORSHAW—I thank the minister for that answer, and I also invite the minister to go back and read the *Hansard* of the Senate estimates hearing last week where it

was admitted that there would be a three-month delay and, even in respect of the figure you have just quoted, that still runs into a significant number of cases and quite a significant amount of money—

The PRESIDENT—What is your question, Senator Forshaw?

Senator FORSHAW—Minister, my question is: given the admission by your own officers to the estimates committee that there will be this delay, isn't this just one more case of the botched implementation of this complex and expensive tax system? If the Customs Service cannot get it right—as you said, they have to get it right—but if they cannot get it right, how will small businesses throughout Australia be expected to get it right?

The PRESIDENT—Senator Forshaw, your question should be directed to the chair, not directly across the chamber.

Senator VANSTONE—There is not much to add. Senator Forshaw just wanted to use the opportunity to stand up again and rattle on. He understands full well what he has been told. Customs estimates that this is 0.3 per cent of transactions—a significant number of transactions—but as usual the Australian Customs Service will handle the duties given to them by the government with a minimum of fuss.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the gallery of former Tasmanian senator, Shirley Walters. I welcome you to the Senate chamber.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Ranger Uranium Mine: Tailings Dam

Senator ALLISON (2.52 p.m.)—My question is to the Minister for Industry, Science and Resources. I refer to the recent leak of contaminated water from the Ranger uranium mine. Why did it take ERA 23 days to report the leak, and will the minister prosecute ERA for yet another infringement of their operating licence or for this failure to report? Isn't it the case that Senator Hill said to the World Heritage Committee less than a

month ago that the government has strengthened its role, and I quote 'in the regulation and environmental management of the Ranger uranium mine'? Doesn't this latest failure to act suggest neither you nor ERA are taking the protection of Kakadu seriously? How can we trust you to manage Jabiluka any better than you have Ranger?

Senator MINCHIN—I advise the Senate—as I have publicly—that my department was advised on 28 April of a leak from a pipe carrying return water from the tailings dam to the mill at the Ranger uranium mine in the Northern Territory. We do treat the report of this matter quite seriously, as does the Northern Territory. I am advised that the water that leaked is tailings water which is recycled for use at this mill. The Commonwealth Supervising Scientist has advised that, at this stage at least, there is no evidence of environmental detriment outside the project area and there has been no downstream impact on the Kakadu National Park or world heritage area. Nevertheless, we are concerned at the leak. We are also concerned by the fact that the company did take some three weeks to advise the relevant authorities of the fact that the leak had been detected and sealed, as it was on 5 April.

I wrote to the company last week expressing my serious concern about the delay, asking for a full report on the circumstances as to why the delay occurred and an explanation of it and for guarantees that they will in future observe all the requirements that are placed upon them for immediate reporting of matters of that kind. It is essential that they do comply with all the environmental reporting requirements that are placed upon them, and I look forward to their explanation of that matter and why it was delayed. The Supervising Scientist is also to report in more detail to ensure that there was no damage to the environment outside the project area, consistent with his preliminary advice. I do remind the Senate that the Supervising Scientist, in his report of October 1998, reported that over the life of the Ranger mine—some nearly 20 years—there has been no incident that had any lasting impact on the people, biodiversity or landscape of Kakadu National Park. It is probably the most

monitored and regulated mine site in the whole Western world, if not the world, and it is a credit to ERA that they have operated this mine as well as they have over that period of time. Nevertheless, as I say, I am concerned by the delay in reporting and I look forward to their explanation of the circumstances, which I expect to get this week.

Senator ALLISON—Madam President, I ask a supplementary question. I thank the minister for his concern, if not his action, with respect to this issue. Given that ERA has failed to meet the conditions of their operating licence and has breached both the spirit and the letter of its authorisation, will the minister have another go at explaining to the Senate why he was so quick to rule out prosecution under section 41A of the Atomic Energy Act? Does the minister intend to make public the full report that he has requested? Given that the leak happened on 5 April and Minister Hill's report to the World Heritage Bureau was on 15 April, is the minister sure that the government did not simply ask ERA to delay the reporting of this in order to not embarrass Senator Hill?

Senator MINCHIN—The latter is an absolutely outrageous suggestion and a grossly unfair reflection on the government and on Senator Hill. I do undertake to ensure that any reports I receive will be made public—that is only right and proper. But I do think it is in the interests of natural justice—something the Democrats apparently do not believe in—to ensure that the company is given a proper opportunity to explain the circumstances surrounding the delay in reporting this matter to the government.

Universities: Funding

Senator CROSSIN (2.57 p.m.)—My question is to Senator Ellison representing the Minister for Education, Training and Youth Affairs. Can the minister confirm the figures reported in the *Weekend Australian* that government spending per university student has fallen from \$10,196 in 1995 to \$9,150 in the current year, while the amount the government takes from students through HECS has increased from \$478 to \$1,035 over the same period? Why has the government allowed university funding to run down to the extent that business leaders are now

expressing concern about the inadequacy of university standards and are canvassing business funding for universities to make up the deficit?

Senator ELLISON—What Senator Crossin does not take into account, of course, and that article did not take into account is that in 1998 around \$1½ billion in Austudy expenditure was transferred from the education function to social services, so when you go back in time you have to take this into account. Senator Crossin should realise this, because you have to compare like with like. So what has happened with the transfer of these figures is that you have an unfair comparison, and that article was wrong in what it said. In fact, it was totally incorrect. Excluding these Austudy expenditures, real per capita Commonwealth expenditure per student increased from \$471 in 1995-96 to \$497 in 1998-99, an increase of 5.5 per cent. In fact we have a government that is intent on increasing expenditure and on increasing opportunities for young Australians in relation to education. This article was quite wrong in its facts.

Senator CROSSIN—Madam President, I ask a supplementary question. Does the minister agree with Tim Besley, the chairman of Leighton Holdings and chancellor of Macquarie University, that the government has a responsibility to ensure work force skills and research are supported and that 'the link between our knowledge base and the nation's economic success is critical?' If so, when does the government propose to take this responsibility seriously?

Senator ELLISON—Never before have we had such record numbers of people in training as we have in Australia today. Never before have we had the advances that we have had in relation to training and apprenticeships.

Senator Carr—Why are there such skills shortages?

The PRESIDENT—Order! Senator Carr, cease shouting.

Senator Forshaw—I rise on a point of order, Madam President. The question was specifically about university education funding. The minister is talking about train-

ing and apprenticeships. If he cannot understand the question, he clearly should not be the minister. That was what he was asked about—not training and apprenticeships but university funding.

The PRESIDENT—There is no point of order.

Senator ELLISON—The question did touch on the knowledge base of the nation, and I do think it extends beyond the tertiary sector. It does go into the vocational education sector, which covers the vast majority of young people especially. On the tertiary sector, we have figures that are up on past figures in relation to people who are involved in undergraduate courses. We have record figures of young people—and not just young people, but people across the board—who are studying in tertiary courses. The point I was making is that from the training and apprenticeship sector right through to the tertiary education sector we as a government have achieved great things. We have record numbers of people who are studying and increasing the knowledge base of this nation.

Telecommunications: Competition

Senator McGAURAN (3.01 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts. Minister, what evidence is there that Australian business and consumers are now enjoying full and open competition in the telecommunications market? Is the minister aware of any statement that once full and open competition in telecommunications is achieved, the full privatisation of Telstra should proceed? Does this approach commend itself to the government?

Senator ALSTON—We have in this country one of the most open competition regimes in the world. We have almost 40 carriers. We recently announced contestability in relation to extended zones and pilot projects for the universal service obligation. We have the recent decision by ACCC in relation to Telstra's wholesale interconnect prices, which they say will impose a burden of up to \$250 million—certainly a benefit to consumers. We expect the local loop to be unbundled later this year. Local call prices are down as low as 15 per cent, STD call

rates have come down some 40 per cent over the last couple of years, and long-distance rates about 60 per cent over that period. There is absolutely unprecedented competition in this arena. This marketplace is attracting the best and brightest. We are seeing new initiatives every day of the week, and so there is not one area in which Telstra is not subject to significant competition. We have amongst the lowest Internet connection prices in the world, according to the OECD, and we are a model for competition in this country.

Measure that against what Mr Beazley had to say back in 1994 when he was asked about privatisation. He said, 'In the limited sense it would work. I mean, you could privatise Telstra if you set your mind to it.' We know that he is not on the job very often, does not read the newspapers and generally does not want to know what is happening in the real-world, but presumably he has still got a few marbles; so, if he set his mind to it, he could privatise Telstra. What is the stopping point? He says, 'The point is that you wouldn't do it particularly in an environment where competition is not firmly set or you have not gone through the 1997 process'—which of course was all about full and open competition. In other words, we have satisfied the conditions precedent to privatisation, as far as Mr Beazley is concerned. Is it any wonder that no-one believes him? His own staff do not believe him. John Lyons of the *Bulletin* certainly did not believe him. Stephen Smith is not believed either and, understandably, that is because he said in a doorstep only about six or eight months back, 'Before you would contemplate a privatisation of Telstra you might want to ensure that we have a fully competitive telecommunications market.' 'You might want to ensure': it is not even mandatory that you do, but you might want to—in other words, 'Not till we get to government.' That is Labor's approach. They do not have any philosophical objection. The only thing that they put on the table in terms of competition has now gone out the window. That prerequisite has been satisfied in spades.

What did Mr Beazley say last month when he was asked why Telstra should not be sold

when he, of course, on his watch, had boasted about privatising no less than 13 government business enterprises, including Qantas and the Commonwealth Bank? He said, 'Unlike them, Telstra enjoys near monopolies or monopolies on some of its services, and massive market dominance in just about every area it undertakes. It enjoys the capacity to engage substantially in unfair competition.' This is not the real world. He knows—or he is wilfully derelict in his duty if he does not—that the ACCC has responsibility for guaranteeing access, for monitoring uncompetitive activities. The ACCC's job is all about delivering just that. We have never heard a peep out of the opposition saying that they are not doing their job. Once again, these are straw men being put up by a Labor Party that takes nothing other than an opportunistic position in relation to Telstra.

We saw what Moody's and Standard and Poor's had to say last week: 'It is because of the attitude of the Labor Party that we find ourselves in that position;' that is, where they cannot go further. The best example is in France, where the Socialist opposition party there—(*Time expired*)

Senator McGAURAN—Minister, I have a supplementary question. Is it now time that those who make such statements abide by them?

Senator ALSTON—It is certainly is—and not before time. I will give the classic case study of what would happen to this country. In 1997, having sworn on a stack of bibles that they would actually repeal privatisation legislation, once the Labor Party's equivalent in France got to office, what did they do? They pushed through legislation to complete the sale of shares in France Telecom. It is simply appalling. We know that the member for Bordeaux, Mr Crean, has been out there holding up France as an example of where you have only partial privatisation. The fact is, of course, that you have got European countries like the UK with 100 per cent, and the Netherlands with 55 per cent—all of them in favour of it. But the difference is that all those countries and all those political parties have been in favour of privatisation, either from the outset or on the way through. This crowd have not—about the only political party in the world

cal party in the world that does not have the courage to stand up for good policy.

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

ANSWERS TO QUESTIONS WITHOUT NOTICE

Goods and Service Tax: Home Builders

Senator ROBERT RAY (Victoria) (3.07 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 Collins today, relating to the goods and services tax and the housing industry.

I must say that before hearing the answer this action would not have been our intention. The situation with Avonwood Homes, mostly in Victoria, is that some 562 families have had their dreams absolutely squashed. That particular company has \$13 million worth of debts. We all, I would have thought, would sympathise with the situation those mostly first home buyers have found themselves in. In addition to Avonwood Homes having \$13 million worth of debts, many of their customers now are faced with increased interest rates, none of which was within their control and which was not necessarily within the control of this government. What makes the situation worse is virtually every one of these 562 homes would have been completed before 1 July. Building on them was suspended quite a few weeks ago. And even though there are builders wanting to complete these homes, because of the complexity of the liquidation, because of the fact that Avonwood cannot trade while being insolvent, the alternative arrangements inevitably will mean that those houses will not be completed and the occupants and the owners will not be able to move in until well after 1 July. For them, having all that extra time waiting, paying rent, is an expensive thing. Having all their aspirations tied up in what is the biggest project of their life, having gone through all the concerns about the financial position of Avonwood and whether they would in fact retrieve anything from it, they now are going to have the additional burden of a GST applied to them that would not have otherwise

been applied to them but for the failures of this company.

It might have been that a minister with some decency today would have said he would look into the situation. It might have been that some sympathetic words to the plight of these people could have come to us. But what did we get? We got that cynical, bourgeois response from Senator Kemp. He basically could not care less. He said the money is going to come in—that sort of great thing. Where is the compassion from Senator Kemp? We are used to the intellectual torpidity from this minister. We are used to the mumbo jumbo.

Senator Sherry—Waffle.

Senator ROBERT RAY—We are used to the waffle, as Senator Sherry says. We are used to all that. But we would have hoped that deep down beyond all that intellectual torpidity there would have at least remained some empathy with his own constituents, because the majority of these homes are in Victoria. But what did we get? Not one glimmer.

This is a windfall gain for the government. We are not asking the government to forgo normal revenue. This is a \$4 million bonus caused by the fact that a building company has gone under, otherwise the government would never have had the money. It is not a precedent setter. It does not go beyond 1 July and have ramifications for a whole range of other industries. This is a one-off situation in which this government could intervene and say they are not going to clip these people for the \$4 million-odd extra tax caused by circumstances beyond their control. But what did we get here today when the question from Senator Collins came up? We had cynical interjections from those opposite. How many houses do they represent, these people that interject today in such a cynical way? They have a whole range of investment houses and country properties and country houses. This is not a question of envy—good luck to you—but do not put down those who are buying their first home. Do not put down those that are facing increased interest rates and, through no fault of their own, are going to get slugged with a big tax impost after 1 July. Let us have some sympathy for those

people. I will tell you something: sympathy for battlers is not just about winning votes five weeks before the election. Here you have an opportunity to intervene; you will intervene with public support and you will not set a precedent. So get rid of the waffle, get rid of the mumbo jumbo and represent the people that voted you in here.

Senator CHAPMAN (South Australia) (3.12 p.m.)—The Labor opposition continues this perennial attack on the reform of the taxation system which this government has introduced. Senator Ray said it is nothing to do with that. He talked about the GST in relation to homes. Of course it is an attack on tax reform. That has been the standard approach of the opposition to this government ever since this government initiated tax reform, had it endorsed by the Australian people at an election and then proceeded, by way of legislation, to introduce that tax reform. It simply reinforces and reflects the hypocrisy and dishonesty of the Labor Party in their approach to tax reform because they have consistently opposed the government's initiative every inch of the way. They opposed it at the election and were beaten, they opposed the legislation and were beaten in this chamber, and they continue to scare-monger in their opposition to tax reform—they continue that approach.

In the context of that approach they have made no commitment to abolish the goods and services tax; indeed, they have indicated an intention to retain the goods and services tax. But the Leader of the Opposition some months ago proposed a so-called rollback of the goods and services tax. We have not had any details of their proposed rollback, although we have been told subsequently, when the issues arose, by Mr Beazley that he was going to retain a balanced budget or a budget surplus. We have been told that he was going to maintain the revenue promises to the states. As we know, a major part of this tax reform is that it provides a guaranteed revenue stream for the states through the whole of the revenue from the goods and services tax being allocated to states, in an untied way, for them to spend on their needs in relation to services. Mr Beazley said that

the states would not have a diminution of their revenue as a result of the GST rollback.

Of course, the consequence of both of those commitments regarding the budget surplus and revenue for the states is that the shortfall has to be made up from some source. And how will the shortfall be made up? Increased income taxes. That is where it is going to come from. We know that only too well. Despite some 60 occasions now on which Mr Beazley has had the opportunity to confirm that there will not be increased income taxes under a Labor government, he has refused to confirm that. The only logical conclusion that you can take from the approach which the Labor Party adopts to these tax issues is that the Australian people will be slugged with significant income tax increases should Labor ever win government again. The Labor Party talk about care and concern. That is the most callous approach that could be adopted by a party seeking government. On the one hand we have got a government that has provided in aggregate \$12 billion worth of income tax cuts coming into play on 1 July, yet there is no guarantee from the other side that those income tax cuts will be sustained should there ever be a change of government. So on the one hand in aggregate they are going to retain the GST without having detailed the way in which this promised rollback is going to work. They are going to retain the revenue for the states. They are going to retain a budget surplus. Of course, we know as a consequence of that we are going to have increased income taxes should a Labor government ever—and I stress 'ever'—into the future obtain the government benches again.

Of course, we know this because we know Labor's record on tax. We know that after the 1993 election the l-a-w law tax cuts that they had put in place and actually legislated for were withdrawn. Not just a commitment but the actual l-a-w law tax cuts were withdrawn after the 1993 election. More than that, they initiated a massive increase in wholesale sales taxes, again without any compensation being offered to the community for those massive increases and without having put them to the people at an election. That was a decision made after the election, and that is

why the community at large know that you simply cannot trust Labor on tax. It was always the understanding that you could not trust Labor with the nation's finances, and we saw that over their years in office, when they escalated our federal government debt to \$96 billion from a starting point of \$23 billion. (*Time expired*)

Senator FORSHAW (New South Wales) (3.17 p.m.)—What a pathetic response from Senator Chapman on behalf of the government and the minister today. It was not only pathetic but also totally irrelevant. Not once in the five minutes that Senator Chapman had did he even mention the name of the company Avonwood. Not once did he mention the plight of the over 100 families that are being affected because of the collapse of this company due to this government's GST policy. Not once did he mention in his speech the issues that were raised in the question by Senator Collins to Senator Kemp. As Senator Ray so clearly pointed out, the issue here is about what this government is going to do to assist those families that have in good faith contracted to have houses built by this company. Because of the impact of the GST the company has gone into liquidation and those houses will now not be completed until at least after the introduction of the GST. As a consequence, those families are going to have to pay for a significantly increased burden, one that they would never have had to pay if their homes had been completed on time.

You really wonder whether Senator Chapman was even here at question time to hear the question and the answer because, as I said, he never addressed the issue once. Then again, I know Senator Chapman was here, and the reason why he did not address the issue in his remarks a moment ago was because he, like every other member of the government, was clearly embarrassed by not only the answer of the minister but also some of the interjections that came from members of the government. I listened closely to Senator Kemp's answer—that was not too difficult, because he never really answers a question anyway—and I also heard some of the interjections. For instance, I heard Senator Macdonald interject and say that this is

not a major order item, this is not a front page item. Where was Senator Macdonald last night when the collapse of this building company because of the GST and the predicament of those families in Victoria and in other states was the lead-in item on the *7.30 Report* and was a major item on the news last night? Obviously, Senator Macdonald was too busy to even take notice of what is a very important issue as well as a major issue that has been raised yesterday and today. And Senator Hill, who is in the chamber now—

Senator Sherry—The government leader.

Senator FORSHAW—The government leader; when the question was asked and it was pointed out in the question that this government would gain a windfall of \$4 million because of GST that will be paid that would not have had to have been paid, responded that it was more money for education and health. They were his words. He acknowledges that the government is going to get a windfall from this. But you are going to get a windfall, Senator Hill, from the very battlers who are now going to have to struggle to get their homes completed and pay that increased tax that they would not have had to pay, who are having to pay the increased interest rates that have been introduced that they would not have expected when they entered into their contracts and also find the money to educate their children and afford decent health care for their families. What a cynical response from the Leader of the Government in the Senate. The government will benefit by a \$4 million windfall—

Senator Hill—Madam President, I rise on a point of order. Misrepresentation must be contrary to the standing orders somewhere. My point of order is, therefore, this is deliberate misrepresentation in that in the question was the suggestion that the government would benefit and I had responded by saying that the people would benefit if the government got more tax, because the GST is being paid out to the states in full to be invested in areas such as health and education.

The DEPUTY PRESIDENT—There is no point of order.

Senator FORSHAW—It is obvious that this touches a very sensitive nerve.

Senator Hill—What touches a nerve?

Senator FORSHAW—What touches a nerve is that here we have families that are being affected because of what has happened to this company and because of what is clearly going to happen in the building industry as the impact of this GST bites after 1 July. But this government is not interested in the dreams of people who want to own their own home; this government is only ever interested in raising more and more revenue. As the people know, this GST represents a \$30 billion revenue grab by this government. Senator Hill is clearly interested in getting another \$4 million windfall out of the battlers, and they should be prepared to make sure they get it back. (*Time expired*)

Senator TCHEN (Victoria) (3.23 p.m.)—If Senator Forshaw had watched the story on Avonwood on the *7.30 Report* last night, he would know that the liquidator was confident that he would be able to find a solution for the home builders and that the majority of the home builders, when they were interviewed by the *7.30 Report*, indicated that they were satisfied with the way that the liquidator answered their questions. So most of those houses will be completed. The question is whether these houses, if they are completed after 1 July, will be subject to the GST. The number that has been bandied around is that this would cost an additional \$4 million. I am not sure where this figure of \$4 million came from. If it came from the receiver, it would be an up-front estimate on their part because nobody knows for certain if these houses will be subject to the GST and nobody knows, if that were to apply, exactly what the amount would be. If you are going to talk about the additional burden caused by the GST, you must also take into account, on balance, the current sales tax burden and other taxation burdens on these new buildings which, with the introduction of the new tax system, will be eliminated. Nobody has done that sort of exercise yet and the figure quoted by the receiver, as is usual in such cases, would be a conservative figure to make sure that he was not wrong. Finally, we should note that, if there were an additional burden, that burden would not exceed \$4 million for some 500 houses.

What would that come to? It would come to about \$8,000 per house, but we should note that that is a maximum figure.

Senator Forshaw made a great play on the fact that Senator Chapman, in his speech in reply, did not mention anything about Avonwood. He took him to task on that. But what that really means is that Senator Chapman actually cut directly to the problem. This whole question of the GST was a furphy raised by Senator Ray. There is no concern on the part of Labor senators about Avonwood or about the people affected by the collapse of this company. Avonwood's collapse is notable only because it is so rare these days. Over the 13 years before this government took over, the collapse of a company was a commonplace occurrence. Nobody would have noticed it if a company had gone to the wall. In the early nineties companies were collapsing left, right and centre and nobody cared—nobody from the then government, anyway. Certainly Senator Carr and Senator Ray did not care. This event is now a matter of importance because it is so rare, but the reality is that the Labor Party are really running out of ideas on what to criticise. The Labor Party have no policy on the GST. They want to keep it because they know that it is a good thing for not only the government but also the country. For political reasons, however, they have to attack it. They have no real grounds to attack it; they can only attach this concern to any other topic that comes along. It is true that the collapse of Avonwood is regrettable, but it is the result of incompetent business practices. (*Time expired*)

Senator SHERRY (Tasmania) (3.28 p.m.)—The point of the question from Senator Collins to the Assistant Treasurer of this country—I emphasise: to the Assistant Treasurer, Senator Kemp—was whether or not the government was willing to forgo the windfall GST of approximately \$4 million that it will collect as a result of the collapse of the Avonwood company and now apparently of Eastern Park Developments, both housing companies. The government will collect an extra \$4 million in GST revenue because the completion date of the houses that the hundreds of families have signed up

to will be put back to well after 1 July. We do not know when that completion date will be, but it will certainly be well after 1 July. GST will be collected—up to \$4 million in additional GST—by this Liberal government as a consequence of the pushing back of the completion date of the housing contracts. This is \$4 million that the Liberal Party would not have collected in GST but for the collapse of these two building firms.

That was the pointed issue in the question from Senator Collins to the Assistant Treasurer, Senator Kemp. Senator Kemp was asked whether or not the Liberal government would forgo the windfall collection of GST moneys. This is not money that the government would normally have collected in GST moneys. It would not have collected it if these two building companies had not collapsed. What response did we get from Senator Kemp? Senator Kemp does not have an ounce of understanding, sympathy, concern or reassurance for the predicament of the customers of these two collapsed building companies. He does not have an ounce of concern for the families involved with these building companies or indeed for the many subcontractors who, according to reports, are owed amounts of money of between \$40,000 and \$100,000. He does not take the question on notice to have a look at this particular difficulty or attempt to provide protection from the extra GST grab that the government will make as a result of this building collapse. He does not even make an attempt to look at or examine the particular heartfelt issue that has occurred not just for the families who want their houses built on time but also for the subcontractors.

We had an extraordinarily unsympathetic series of interjections from government senators and from the Leader of the Government in the Senate, Senator Hill, who you would have thought would know better. Senator Hill wants the money. He wants the extra GST revenue from these families in this predicament so that the government can spend it elsewhere. You can spend tax revenues in all sorts of areas but to take extra GST revenue in this way from the families and the subcontractors who are suffering this predicament as a result of these two building

collapses is absolutely appalling. It is an appalling attitude. It really does show a government totally out of touch on the issue of the impact of the GST on the lives of ordinary families in this country.

What reassurance did Senator Kemp give to the Senate? Senator Kemp says that the families and the subcontractors will get tax cuts after 1 July. That is not a great deal of use to the hundreds of families and subcontractors who either have lost thousands of dollars or will have the completion of their houses, the great Australian dream, put back by many months and have extra GST revenue collected as a result. One other point that I would make is that many of these families will have to rent accommodation for longer periods and they will pay additional GST on the rental. For Senator Chapman to make out that this is an attack on tax reform when the Labor Party is raising the plight of the 900-odd families around Australia, particularly in Victoria and in Queensland—

Senator Abetz—What would you do, Nick?

Senator SHERRY—Well, we have asked the Assistant Treasurer. You are in government. Senator Kemp, the Assistant Treasurer, would not even consider waiving the extra GST revenue that will be payable by these families. It is your GST, Senator Abetz. It is your particular problem. You should be honest enough to deal with this particular problem sympathetically rather than laughing in a callous way at the plight of the families and subcontractors who have lost thousands of dollars as a result of this. (*Time expired*)

Question resolved in the affirmative.

Genetically Modified Crops: Tamanian Legislation

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (3.33 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Aboriginal and Torres Strait Islander Affairs (Senator Herron) to a question without notice asked by Senator Brown today, relating to genetically modified food.

It was a particularly valid question. Senator Brown's point that the gene technology bill fails to take into account the issue of a

moratorium is a valid point. On a number of occasions, both in parliament and in public forums, the Democrats have outlined our concerns regarding this proposed legislation. We believe that there are aspects of this bill that are positive. Certainly we strongly endorse the consultative process that Senator Herron referred to. We believe that public debate and discussion about biotechnology and genetic technology issues generally are long overdue. We do not believe that the Australian public will let the line that they would endorse GMOs if only they understood them wash. I think this government has been a bit negligent in ensuring that that debate happens in an informed and consultative manner, but at least there are slow steps being taken.

The regulation of genetic technology is not an issue of scientific technicality. Basically, it is about people's right to know and people's right to choose, whether it is what they buy, what they consume or what they eat. The option of a moratorium, as Senator Brown pointed out in his question to the minister, is missing. After reading the draft legislation and the explanatory memorandum, I am also aware that the term 'precautionary principle'—a term that I hope many of you would be aware of—is pretty scarce.

The Democrats have outlined our concerns regarding the regulation of genetic technology time and time again. The scope of our recommendations for inquiries in the past has included: the implementation of GM food labelling; the suitability and adequacy of testing of biotechnology products; the segregation procedures for GMOs or LMOs; the definition of 'GMO free'; domestic policies for promoting research and development of biotechnology, which may be promoted or restricted by regulation; the effects of trade initiatives; transfer pricing and tariffs for biotechnology and its products; and the measurement of consumer demand for current commercial agricultural biotechnology products. Obviously, not all of these issues are appropriate for the body of the gene tech bill, but these issues and many more must be discussed and resolved before adequate regulation of this technology can be achieved.

It is interesting to note—and probably timely, given that today is budget day—that the government's financial support of genetic technologies in this financial year has been focused very much on their regulation, not on the funding of research into the possible health and environmental risks of the first-generation applications, which have been forced onto Australian domestic markets, farmers and consumers. Despite the focus on the regulation of this technology, the government's draft regulation proposal is actually full of holes, some of which Senator Brown referred to in his question. The bill will not change any of the current regulatory delineations between the six or so Commonwealth bodies which currently oversee the regulation of genetic manipulation and its products. There are a host of different agencies involved in its regulation and the approval applications process. Maybe the government should be literally looking at a one-stop shop. One of the criticisms coming from everywhere is about the nature of so many different organisations being involved in the regulation.

The findings of the New South Wales inquiry into the current regulation of biotechnology in March this year found that GMO trials have been undertaken in secret in some places—for example, in my home state of South Australia, in Mount Gambier. It also found that the federal government's Genetic Manipulation Advisory Committee, otherwise known as GMAC, did not inform other authorities that the trials were taking place, that GMAC reportedly denied freedom of information requests about the trial demonstrations and that the current situation is inadequate. So those were the findings of an upper house review in New South Wales. Examples of similar inadequate containment and notification of GM trials in Mount Gambier give further weight that GMAC's current 'behind closed doors' regulation is both insufficient and inappropriate. It fuels distrust. That is one of the other issues we have to deal with—not only the public's right to know but their concern about the use of these technologies. Biotechnologies have dazzling potential effects, but we have to be aware that there are potential negative effects as well—hence the need for improved regula-

tion and hence the difficulties with the gene technology bill that we are supposed to be dealing with this year. *(Time expired)*

Question resolved in the affirmative.

PETITIONS

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

Goods and Services Tax: Receipts and Dockets

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

This petition of the undersigned draws to the attention of the Senate that under current legislation the GST will not be included on dockets and that consumers will not know how much GST they are being charged, or whether they are being charged correctly.

Your petitioners therefore request the Senate that when a business provides a consumer with a receipt or docket issued in respect of a taxable supply the receipt or docket must separately include: the price of the goods or services excluding the GST;

the amount of the GST; and

the total price including the GST.

by **Senator Reid** (from 70 citizens), and

by **Senator Faulkner** (from 17 citizens).

Truth in Food Labelling

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

The Petition of the undersigned call on the Federal Parliament to ensure that the current regulations relating to food content are retained by the Australian New Zealand Food Authority and that adequate food labelling is introduced which allows the Australian community to make a real choice when it comes to the purchase and consumption of food.

Your Petitioners ask that the Senate support legislation which will ensure that all processed food products sold in Australia be fully labelled. This labelling must include:

all additives

percentage of ingredients

nutritional information

country of origin

food derived from genetically engineered organisms

by **Senator Bartlett** (from 3 citizens).

Protect Great Barrier Reef World Heritage Area

To the Honourable the President and the Members of the Senate Assembled in the Parliament.

The Petition of the undersigned shows strong disappointment in the Australian Government's inadequate protection of the Great Barrier Reef World Heritage Area from the destructive practices of prawn trawling. Prawn trawling destroys up to 10 tonnes of other reef life for every one tonne of prawns while clearfelling the sea floor. There are 11 million square kilometres of Australia's ocean territory of which the reef represents just 350,000 square kilometres.

Your Petitioners ask that the Senate support the phasing out of all prawn trawling in the Great Barrier Reef World Heritage Area by the year 2005.

by **Senator Bartlett** (from 321 citizens).

Mandatory Sentencing

To the Honourable the President and the Members of the Senate Assembled in the Parliament.

The Petition of citizens of New South Wales respectfully sheweth that the mandatory sentencing laws in the Northern Territory and Western Australia are not in the best interests of the nation (they conflict with International Treaties), the taxpayers (the cost of keeping anyone in prison is high), those sentenced (punishment when offenders do not understand what they have done wrong or there are more appropriate ways of dealing with the offence) and ultimately the law and order of those jurisdictions (sending people back into the community who have reason to rebel against authority is not common sense).

Your Petitioners therefore humbly pray that your Honourable House use whatever means are necessary to have those laws replaced by providing offenders with education, rehabilitation and punishment that fits the crime.

And your Petitioners, as in duty bound, will ever pray.

by **Senator Brown** (from 27 citizens).

Goods and Services Tax: Sanitary Products

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

The Petition of the undersigned are gravely concerned that tampons and other sanitary products, which have not been subject to any taxes since 1948, will be subject to a 10% GST from July 1st

Your Petitioners ask that the Senate insist the Health Minister include the above mentioned products in the GST free list.

The fact that half of the Australian population experience menstruation for 30-40 years of their life through no choice of their own means that these products should be included in the GST-free list.

by **Senator Crossin** (from 27 citizens).

Goods and Services Tax: Sanitary Products

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

The Petition of the undersigned request that the Senate reject the Government's imposition of the GST on tampons and sanitary pads.

We find it absurd that sunscreen, condoms, personal lubricants for men and women, and incontinence pads are all to be GST free, on the basis that if one did not use them, one would suffer a 'disability', yet menstruation products will not.

We think that women not using tampons or pads would cause more than a 'disability' it would cause a furore! Women already carry the burden of paying for menstruation products. We do not believe that women should carry an additional burden of a 10% GST on a product that women have no choice but to purchase, and for which men have no equivalent.

We believe that a tax on tampons and sanitary pads is discriminatory and unfair. Your petitioners request that the Senate reject the Government's GST on tampons and sanitary products.

by **Senator Faulkner** (from 20 citizens).

Petitions received.

NOTICES

Presentation

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

That the time for the presentation of reports of the Rural and Regional Affairs and Transport References Committee be extended as follows:

- (a) the development of the Brisbane Airport Corporation's Master Plan for the future construction of a western parallel runway—to 29 June 2000; and
- (b) air safety—to 14 September 2000.

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

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Legislation Committee on the Australian

Quarantine and Inspection Service and the importation of salmon be extended to 8 June 2000.

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

That the Senate—

(a) notes:

- (i) the passing of Sir William Keys in Canberra on 3 May 2000,
- (ii) Sir William's service with the army in New Guinea and Borneo during World War II, where he was wounded in the Battle of Tarakan,
- (iii) Sir William's distinguished service in Korea with the Third Battalion, Royal Australian Regiment, which was recognised with the Military Cross,
- (iv) Sir William's contribution to the Returned Services League, serving as the President from 1978 to 1988 and as the National Secretary from 1961 to 1978, and
- (v) the dedication of Sir William, like many Australian servicemen and servicewomen who have served in Asia, to improving relations with the region; and

(b) extends its condolences, on the death of Sir William, to his wife Dulcie, and their daughters Elizabeth, Amanda and Tammy.

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

That the Senate notes that:

- (a) it is 90 days since former Senator Parer resigned as a senator for the State of Queensland;
- (b) the Queensland Liberal Party, whilst having selected a successor to replace Senator Parer, continues to extend the previous Queensland record of 68 days for the replacement of a Queensland senator;
- (c) factional fighting in the Queensland Liberal Party and the Liberal Party's own insistence have ensured that the Queensland Parliament will not be faced with the appointment of a replacement until Tuesday, 16 May 2000 (97 days since Senator Parer's resignation);
- (d) the day of swearing-in of the successor to Senator Parer is likely to be 5 June 2000 at the earliest (a total of 117 days

since Senator Parer's resignation—a new Australian record); and

- (e) the people of the State of Queensland have been denied their full Senate representation by the factional infighting of the Queensland Liberal Party during this time.

Withdrawal

Senator COONAN (New South Wales) (3.40 p.m.)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that on the next day of sitting I shall withdraw six disallowance motions, the full terms of which have been circulated in the chamber and I now hand to the Clerk.

The list read as follows—

Business of the Senate Notice of Motion No. 1 standing in Senator Coonan's name for 11 sitting days after today for the disallowance of Declaration PB 2 of 2000, made under subsection 85(2AA) of the *National Health Act 1953*.

Business of the Senate Notice of Motion No. 5 standing in Senator Coonan's name for 11 sitting days after today for the disallowance of the Great Barrier Reef Region (Prohibition on Mining) Regulations 1999, as contained in Statutory Rules 1999 No.339 and made under the *Great Barrier Reef Marine Park Act 1975*.

Business of the Senate Notice of Motion No. 9 standing in Senator Coonan's name for 11 sitting days after today for the disallowance of Instrument No. CASA 04/00, made under subregulation 207(2) of the Civil Aviation Regulations 1988.

Business of the Senate Notice of Motion No. 10 standing in Senator Coonan's name for 11 sitting days after today for the disallowance of Marine Orders Part 61 - Safe Working on Board Ships - Issue 1, Marine Order No.20 of 1999, made under section 425(1AA) of the *Navigation Act 1912*.

Business of the Senate Notice of Motion No. 11 standing in Senator Coonan's name for 11 sitting days after today for the disallowance of Marine Orders Part 9 - Health - Medical Fitness - Issue 5, Marine Order No.22 of 1999, made under section 425(1AA) of the *Navigation Act 1912*.

Business of the Senate Notice of Motion No. 12 standing in Senator Coonan's name for 11 sitting days after today for the disallowance of the Quarantine (General) Amendment Regulations 1999 (No.1), as contained in Statutory Rules 1999 No.308 and made under the *Quarantine Act 1908*.

Senator COONAN—I seek leave to incorporate in *Hansard* the committee's correspondence concerning these instruments.

Leave granted.

The correspondence read as follows—

Declaration PB 2 of 2000 made under the National Health Act 1953

9 March 2000

The Hon Michael Wooldridge MP
Minister for Health and Aged Care

Parliament House

CANBERRA ACT 2600

Dear Minister

I refer to Declaration No.PB2 of 2000 made under subsection 85(2) of the *National Health Act 1953* which consolidates existing provisions relating to the provision of drugs and medicinal preparations which are available as pharmaceutical benefits.

Three of the drugs or medicinal preparations listed in the Schedule to this Declaration are also listed in Schedule 1 to Declaration No. PB 1 of 2000. The relevant items are Omeprazole, Metronidazole and Amoxicillin Trihydrate. Since both Declarations were made on 31 December 1999, and both are expressed to come into effect on 1 February 2000, Declaration No. 2 of 2000 appears to create unnecessary duplication. The above three drugs or preparations are included by Declaration No. PB 1 of 2000 and then, at the same time, excluded by Declaration No. PB 2 of 2000.

Declaration No. PB 1 of 2000 appears to be a consolidation of previous Declarations made under subsection 85(2) of the *National Health Act 1953*. However, the remaining three drugs or medicinal preparations listed in the Schedule to Declaration No. PB 2 of 2000 other than those referred to above – Grepafloxacin Hydrochloride Sesquihydrate, RVHB Maxamaid and Vidarabine – do not appear in any of the Schedules to Declaration No. PB 1 of 2000. If that Declaration is a consolidation of previous Declarations, these three items appear not to be drugs or medicinal preparations to which Part VII of the *National Health Act 1953* applied, even before Declaration No. PB 2 of 2000 came into force.

The Committee would appreciate your comments on the matters raised above.

Yours sincerely

Helen Coonan

Chair

Senator H. Coonan

Chair

Senate Standing Committee on Regulations and Ordinances

Parliament House

CANBERRA ACT 2600

Dear Helen

Thank you for your letter of 9 March 2000 concerning declarations made under the National Health Act 1953 (the Act) in relation to the listing of drugs and medicinal preparations as pharmaceutical benefits.

It is correct that Declaration PB 1 of 2000 is a remake, effective 1 February 2000, of the declaration under subsection 85(2) of the Act. This declaration lists the drugs available as pharmaceutical benefits. It is routinely remade every three months to coincide with the reprint of the Schedule of Pharmaceutical Benefits sent to medical practitioners and approved pharmacists, to take account of changes to the list of drugs available as pharmaceutical benefits.

Declaration No. PB 2 of 2000 was made under subsection 85(2AA) of the Act, not under subsection 85(2). This provision requires the Minister to make a separate declaration of drugs and medicinal preparations being removed from the list of pharmaceutical benefits. On 1 February 2000, there were four such drugs and medicinal preparations:

Grepafloxacin Hydrochloride Sesquihydrate;

RVHB Maxamaid;

Omeprazole and Metronidazole and Amoxicillin Trihydrate; and

Vidarabine.

In the case of the third of these, the medicinal preparation being deleted was a pack containing 28 capsules of omeprazole 20 mg, 42 tablets of metronidazole 400 mg and 42 capsules of amoxicillin trihydrate equivalent to 500 mg amoxicillin. This preparation was discontinued by the manufacturer and replaced by a new one containing 28 tablets of omeprazole magnesium equivalent to omeprazole 20 mg together with the same quantities of metronidazole tablets and amoxicillin trihydrate capsules of the same strengths.

It is true that the individual drugs that were constituents of the deleted pack remain separately listed in the declaration under subsection 85(2). That is because they were, and continue to be, available as pharmaceutical benefits when prescribed as individual drugs.

I trust this information is of assistance to the Committee.

With kind regards,

Yours sincerely

Dr Michael Wooldridge

05 APR 2000

Great Barrier Reef Region (Prohibition on Mining) Regulations 1999

Statutory Rules 1999 No.339

17 February 2000

Senator the Hon Robert Hill

Minister for the Environment and Heritage

Parliament House

CANBERRA ACT 2600

Dear Minister

I refer to the Great Barrier Reef Region (Prohibition of Mining) Regulations 1999, Statutory Rules 1999 No. 339, which prohibit operations for the recovery of minerals in that part of the Great Barrier Reef Region which is not for the time being part of the Great Barrier Reef Marine Park.

Subregulation 4(2) imposes strict liability for a contravention of subregulation 4(1), which prohibits a person from 'carrying on a mining operation or research for a mining operation in the relevant area'. This provision departs from the general rule of criminal liability being imposed only if the alleged offender acted intentionally, recklessly or negligently. The Explanatory Statement offers no reason for this departure. The Committee would therefore appreciate your advice on why this provision does not allow for similar conditions as those imposed by criminal liability.

Yours sincerely

Helen Coonan

Chair

Senator Helen Coonan

Chair

Standing Committee on Regulations and Ordinances

Parliament House

CANBERRA ACT 2600

Dear Senator Coonan

Thank you for your letter of 17 February 2000 regarding the Great Barrier Reef Region (Prohibition of Mining) Regulations 1999.

Subregulation 4(1) prohibits a person from carrying on a mining operation or research for a mining operation in the "relevant area". The "relevant area" is defined in regulation 3 as being the area of the Great Barrier Reef Region that is not, for the time being, part of the Marine Park. Subregulation 4(2) then goes on to provide that a contravention of subregulation (1) is an offence of strict liability.

The nature of the offence contemplated in regulation 4 is such that the Great Barrier Reef Marine Park Authority considered that the use of a mental element would add nothing to the criminality of the act nor the education of the public. It was the view of the Authority that the state of mind of the person (or company) in carrying out mining operations in the Great Barrier Reef Region, does not alter the effect of the act on the environment. Negligently carrying on mining operations causes the same impact as intentionally carrying on mining operations. However, the defence of honest and reasonable mistake of fact will still be available in respect of a strict liability offence. For example, the location of the boundary of the "relevant area" will always be an important consideration when determining whether or not there has been a contravention.

The Commonwealth introduced similar strict liability offences in the Environmental Protection and Biodiversity Conservation Act 1999. That Act contains a significant number of strict liability offences, some of which have penalties of up to 500 penalty units or more. The penalty imposed for a contravention of the Great Barrier Reef Region (Prohibition of Mining) Regulations is only 50 penalty units (\$5,500) for an individual, or five times that amount for a company (see s.4B(3) of the Crimes Act 1914). It was considered that this was a necessary measure in order to protect and conserve the world heritage values of the Great Barrier Reef Region outside of the Marine Park.

Yours sincerely

Robert Hill

Instrument No. CASA 04/00 made under subregulation 207(2) of the Civil Aviation Regulations 1988

17 February 2000

The Hon John Anderson MP

Minister for Transport and Regional Services

Parliament House

CANBERRA ACT 2600

Dear Minister

I refer to Instrument No. CASA 04/00 made under subregulation 207(2) of the Civil Aviation Regulations 1988 which approves the operation of aircraft VH-JSH while carrying life-rafts which do not meet the design requirements of paragraph 2.4 of section 103.40 of the Civil Aviation Orders.

The Explanatory Statement to this instrument observes that the life rafts fitted on aircraft VH-JSH do not meet the relevant design standards in relation to self-activation in water. The Statement goes on to state that the Civil Aviation Safety

Authority 'does not consider that this [failure] affects the safety of air navigation.' The Committee would appreciate your advice for the basis for this assessment. The Committee would also appreciate advice on the extent to which personal safety might be jeopardised.

Yours sincerely

Helen Coonan

Chair

Senator Helen Coonan

Chair

Standing Committee on Regulations and Ordinances

Parliament House

CANBERRA ACT 2600

10 APR 2000

Dear Senator Coonan

Thank you for your letter of 17 February 2000 seeking clarification of Instrument No CASA 04/00 made under subregulation 207(2) of the Civil Aviation Regulations (CAR) 1988 and Civil Aviation Order (CAO) 103.40. I regret the delay in responding.

The Civil Aviation Safety Authority (CASA) has advised that CAO 103.40 includes a requirement that survival radio beacons, commonly known as Emergency Locator Transmitters (ELTs), that are installed in life rafts be self-activating on flotation in water. This requirement is somewhat dated, and has been superseded by later amendments to regulations, particularly CAR 252A. CAR 252A approved a range of ELTs that are not required to be self-activating in water.

CASA has also advised that the requirement in CAO 103.40 for ELTs to be self-activating does not align with international practice, and it is intended that the Order be amended to permanently delete this requirement. Instrument No CASA 04/00 was approved as an expedient measure to allow operation of an aircraft pending amendment of the Order.

CASA has accepted that the wording of the Explanatory Statement is not inherently clear on this issue, and that it may be interpreted as referring to the life raft, rather than the ELT. No changes were authorised to the life raft requirements. A suitable ELT which fully meets the requirements of CAR 252A is still required to be fitted.

Therefore, CASA believes that the instrument would not jeopardise safety.

Yours sincerely

John Anderson

Marine Orders Part 61 - Safe Working on Board Ships - Issue 1, Marine Order No.20 of 1999

Marine Orders Part 9 - Health - Medical Fitness - Issue 5, Marine Order No.22 of 1999

17 February 2000

The Hon John Anderson MP

Minister for Transport and Regional Services

Parliament House

CANBERRA ACT 2600

Dear Minister

I refer to Marine Order No. 20 of 1999, being Marine Orders Part 61 – Safe Working on Board Ships – Issue 1, and Marine Order No. 22 of 1999, being Marine Orders Part 9 – Health – Medical Fitness – Issue 5, made under subsection 425(1AA) of the *Navigation Act 1912*.

Marine Order No. 20 of 1999

The Orders seek to give legislative effect to a *Code of Safe Working Practice for the Australian Seafarer*.

Provision 5.1.1 imposes various obligations on the owner of a ship relating to safety aboard the vessel, and provision 5.1.2 imposes a limited range of obligations on the master thereof. By virtue of provision 4, the failure to comply with any of these obligations is a criminal offence, punishable by a fine not exceeding \$2,000 if the offender is a natural person and \$5,000 if the offender is a body corporate. A Note at the end of provision 5.1.2 states that 'Arrangements, equipment, instruction and training that comply with the *Code of Safe Working Practice for the Australian Seafarer*, published by AMSA and available at any AMSA office, will be regarded as meeting the requirements of 5.1.' The Committee draws your attention to the following matters relating to these provisions.

First, the terms of provision 5.1.1 are very broad in their scope. The provision commences by requiring the owner of a ship to provide 'such arrangements, equipment, instructions and training as are necessary to ensure that work on board the ship is carried out in a safe manner.' Bearing in mind that failure to comply with this obligation is a criminal offence, the scope of this provision appears to make it difficult for a shipowner to know whether he or she was complying with the law.

Secondly, the Note at the end of 5.1.2 appears to be an attempt to give some legislative force to the *Code of Safe Working Practice*. But such an attempt is impossible, since provision 1(b) states that 'a note included in the text and printed in

italics is not part of the Part.' Furthermore, the *Code* is a document which no member of the Parliament has seen, and which (presumably) is capable of being amended from time to time without any oversight from the Parliament.

Thirdly, the Note itself advises that compliance with the *Code* will be regarded as meeting the requirements of 5.1. The Note does not indicate by whom that compliance will be so regarded. The only logical meaning to the Note is that the Courts will regard such compliance as sufficient. The Committee finds it difficult, if not impossible, to conceive of a non-legislative document somehow making legislative provision in relation to aspects of the criminal law.

The Committee would appreciate your advice on these matters.

Marine Order No. 22 of 1999

The Orders give effect to the International Labour Organisation *Medical Examination (Seafarers) Convention 1946*.

Provision 7.3.2 allows a person who has been declared unfit for duty at sea by a Medical Inspector of Seamen to apply for a further examination by 'an independent panel of medical practitioners'. However, nowhere in the Order is there provision for such matters as the minimum (or maximum) number of medical practitioners who will constitute this panel, or what is to happen if the panel finds the seafarer fit for duty. The Committee would appreciate your advice as to whether such matters are regulated elsewhere in the Marine Orders.

Yours sincerely

Helen Coonan

Chair

Senator Helen Coonan

Chair

Standing Committee on Regulations and Ordinances

Parliament House

CANBERRA ACT 2600

10 APR 2000

Dear Senator Coonan

Thank you for your letter of 17 February 2000 concerning Marine Order No. 20 of 1999 and Marine Order No. 22 of 1999. I apologise for the delay in replying.

The Australian Maritime Safety Authority (AMSA) has provided the following advice.

Order 20 of 1999-Marine Orders Part 61

The modern emphasis in ship safety regulation is on building a safety culture within the shipping industry that encompasses not only the ship and its crew but also the overall management system at sea and on shore. This centres on the ship owner/operator assuming primary responsibility for providing a management system that ensures compliance with all mandatory requirements for ship safety and protection of the marine environment as promulgated by the International Maritime Organization (IMO) conventions and the relevant national maritime administration.

The systems management approach has been adopted by the IMO in the International Safety Management (ISM) Code, which is part of the Safety of Life at Sea (SOLAS) Convention. The Code recognises that good safety management requires commitment to and understanding of safety issues at all levels of ship operations, including owners, ship managers, classification societies and agents, as well as the master and crew. It provides for development of a safety management system by each shipping company to identify risks and provide appropriate safeguards, provide safe operating practices and a safe working environment, and to continuously improve safety management skills of personnel ashore and afloat. It is expressed in broad terms to recognise that ships operate under widely different conditions and to provide for flexibility in responding to individual needs.

A number of OECD countries, such as the United Kingdom, Canada and New Zealand, are developing contemporary national maritime legislation to reflect the safety systems approach. Some industry sectors, such as the offshore oil and gas industry in Australia and overseas, have been using safety case approaches to underpin safety management for several years. The Council of Australian Governments also recommends that regulations should be performance based and not prescriptive, i.e. they should focus on outcomes not inputs. The overall objective of these developments is to continue to achieve improvements in safety while at the same time reducing the burden of regulation on business.

In the light of these developments, and anticipating that the current major review of the Navigation Act 1912 will recommend a similar approach to maritime regulation, Marine Orders have recently been drafted in a less prescriptive fashion. Where Codes of Practice (such as the Code of Safe Working Practice for the Australian Seafarer) are called up, they are not being given mandatory force but are being put forward as useful tools which can be used by operators in meeting their safety objectives.

This approach will make the traditional sanction of prosecution difficult to apply. Traditionally linked with highly specific and prescriptive requirements, prosecutions are likely to be the least effective sanction available to ensure that ship operators meet their obligations towards safety. Sanctions available through the certification process (i.e. withholding or withdrawing the ship's internationally recognised certificates) and the power of detention of an unseaworthy ship are likely to be far more effective.

Considerable thought has been given to the question of whether offence provisions should be used at all in the context of the modern approach to maritime regulation and no doubt this matter will be further considered during the current Navigation Act review. However, despite the evidentiary problems that might arise and the kind of considerations identified by the Committee, it is felt that a criminal sanction should be retained, at least for the time being, to deal with any persistent and wilful disregard of safety. Prosecution action would only be contemplated in circumstances where other avenues had been exhausted, the inadequacy of safety arrangements in place had been explicitly explained to those responsible and every opportunity had been given for rectification.

The points made by the Committee are however, well taken. The effectiveness of the Orders and the various sanctions available to secure compliance, are being constantly monitored and will no doubt benefit from some refining in the future. However, the inevitable difficulties encountered in securing compliance are outweighed by the advantages that will accrue through developing a culture in which ship operators take prime responsibility for their ships, crews, passengers and cargoes rather than every aspect of safety being regulated in minute detail.

Order 22 of 1999-Marine Orders Part 9

It was never intended that an independent panel of medical practitioners should be composed of any particular number, save that it should at least consist of an occupational physician and an appropriate specialist.

The procedures proposed for such a panel envisage that the panel's recommendation would be provided to the Medical Inspector of Seamen (or a different Medical Inspector of Seamen if the applicant exercises the right under Provision 7.5.1 to make a second application) who would be expected to take the panel's recommendation into account when making the final decision on fitness. It would have been more useful to have included that expectation as a requirement in the

Marine Order itself. This amendment will be made as soon as possible.

Yours sincerely

JOHN ANDERSON

Quarantine (General) Amendment Regulations 1999 (No.1)

Statutory Rules 1999 No.308

17 February 2000

The Hon Warren Truss MP

Minister for Agriculture, Fisheries and Forestry

Parliament House

CANBERRA ACT 2600

Dear Minister

I refer to the Quarantine (General) Amendment Regulations 1999 (No.1), Statutory Rules 1999 No.308, which seek to clarify and improve the provisions in the Principal Regulations relating to Quarantine Infringement Notices.

New subregulation 84(2) of the Principal Regulations, to be inserted by item 2 of the Schedule to these Regulations, provides that the offence created by subregulation 84(1) is one of strict liability. That is, it may be committed even in the absence of intention, recklessness or carelessness on the part of the alleged offender. While this is contrary to the normal practice of requiring a mental element in the imposition of criminal liability, the Committee notes that new regulation 85 provides that a contravention of subregulation 84(1) is an 'infringement notice offence', that is, it is one which is generally dealt with by an 'on-the-spot-fine'. The Committee understands that in such circumstances, it is standard practice to impose strict liability, and to limit the level of the maximum penalty to a modest amount, as a *quid pro quo* for the alleged offender not having the matter dealt with by a court. However, in this instance, subregulation 84(1) creates the offence of giving a false or misleading answer to quarantine questions on an Incoming Passenger Card not only in respect of an answer given by an arriving passenger about him or herself, but also in respect of an answer given in relation to other persons. This would appear to place an unfair burden on a passenger who may unknowingly give false information about another person. The Committee would therefore appreciate your advice as to whether strict liability should be imposed in the latter circumstance.

Yours sincerely

Helen Coonan

Chair

Senator H Coonan

Senator for New South Wales

Chair

Senate Standing Committee on Regulations and Ordinances

Parliament House

CANBERRA ACT 2600

Dear Helen

Thank you for your letter of 17 February 2000 regarding the possible unfairness of the operation of regulation 84(2) of the Quarantine (General) Amendment Regulations 1999 (NO. 1) tabled in the Senate on 15 February 2000.

You seek advice as to whether strict liability should be imposed on a passenger who may unknowingly give false information about another person on an Incoming Passenger Card (IPC).

The declaration on the IPC is central to the smooth administration of the system of entry into Australia through our international airports. Australia seeks to achieve a balance between maintaining a secure quarantine barrier and providing timely and efficient processing of passengers at airports. However, the integrity of this system depends on accurate and truthful answers by travellers on the IPC. It is important for international travellers to understand that Australia is serious about barrier infringements and will deal with them quickly and effectively. The Quarantine Infringement Notice (QIN) scheme is a key element in achieving this objective.

There is no offence for failing to give answers to questions about quarantine matters on an IPC. However, the Australian Quarantine and Inspection Service (AQIS) encourages the completion of the IPC to facilitate the efficient processing of passengers through the barrier. If the questions about quarantine on the IPC are not answered, passengers are directed to go through the red (goods to declare) channel where an X-ray or rummage search of luggage (authorised under section 70A of the Quarantine Act 1908) will occur. The information on a completed IPC might reveal that a search is unnecessary and AQIS can then apply its resources to areas of greater risk at the airport.

Generally, most passengers complete their own IPC. However, there are occasions where a passenger completes the IPC on behalf of someone else. The most common example of this is in respect of tour groups. Some tour leaders, in an attempt to assist members of their group through the barrier quickly, will complete IPCs on behalf of the members of the group. AQIS does not promote this practice because past experience has shown that the tour leaders do not necessarily

inform themselves as thoroughly as they should before making the declaration on the IPC. However, AQIS is prepared to allow the practice to continue, because it can assist the smooth processing of large groups of passengers at the barrier, provided that there is some guarantee about the integrity of the completed IPC. The introduction of strict liability for providing false information on behalf of another person goes some way to provide this guarantee.

The fact is that tour leaders do not have to complete IPCs on behalf of their tour group members and that there is no obligation for questions relating to quarantine on the IPC to be completed at all. However, tour leaders know that unless the IPC is completed, there is a high risk of their tour group being delayed by luggage searches at the barrier.

AQIS has sought to impose strict liability for false declarations made on behalf of another person specifically to address the tour group situation. In most other situations where a person signs on behalf of another person, there is usually a close relationship (for example: spouse, other relative or travelling companion) between the parties. In these cases the risk of false information being provided about the other person's luggage is minimal. Of course, in all cases where a person has provided false information, the quarantine officer at the barrier will exercise a discretion to avoid any obvious unfairness in the operation of the strict liability provision.

The results of a survey conducted in December 1998 revealed that 3.9% of people declaring nothing and passing through the green exit channel had prohibited goods. In 1996, this figure was 6%. The improvement in compliance since 1996 can be explained largely by the introduction of the QIN scheme and related education programs. AQIS expects that this most recent amendment to the QIN scheme will further enhance its effectiveness.

I trust that the Committee's concerns have now been fully addressed. I would be pleased to arrange for officers of AQIS to meet with the Committee if it requires clarification on any of the matters raised in this letter.

Thank you for bringing your concerns to my attention.

Yours sincerely

WARREN TRUSS

Presentation

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

That the Senate—

- (a) places on record its sincere appreciation of the late Sir William Keys for his contribution and service to Australian veterans, the Australian Defence Forces and the Australian community; and
- (b) expresses its sincere condolences to his widow and family.

COMMITTEES

Environment, Communications, Information Technology and the Arts References Committee

Extension of Time

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

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Committee on the state of the environment of Gulf St Vincent be extended to 11 May 2000.

Community Affairs Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Community Affairs Legislation Committee on the provisions of the Health Legislation Amendment (Gap Cover Schemes) Bill 2000 be extended to 10 May 2000.

LEAVE OF ABSENCE

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

That leave of absence be granted to Senator Newman for the period from Tuesday, 9 May to Thursday, 11 May 2000 on account of ill health.

QUEENSLAND POLICE: SHOOTING

Motion (by **Senator Ian Campbell**, at the request of **Senator Vanstone**)—by leave—agreed to:

That the Senate—

- (a) recognises the dangers that law enforcement officers are exposed to every day;
- (b) commends law enforcement officers on their professional commitment to duty and frequent courageous efforts to protect the community from criminals;
- (c) expresses its deep concern following the recent shooting in Brisbane of three

Queensland police officers: Constable Sharnelle Cole, Constable Darryl Green and Sergeant Christopher Mulhall; and

- (d) extends its sympathy to the three officers and their families and wishes them each a speedy and complete recovery.

NOTICES

Postponement

Items of business were postponed as follows:

Business of the Senate notice of motion no. 1 standing in the name of Senator Allison for 10 May 2000, relating to the reference of matters to the Environment, Communications, Information Technology and the Arts References Committee, postponed till 6 June 2000.

General business notice of motion no. 535 standing in the name of Senator Stott Despoja for 10 May 2000, relating to the summit meetings of the International Monetary Fund and the World Bank, postponed till 11 May 2000.

General business notice of motion no. 537 standing in the name of Senator Stott Despoja for 10 May 2000, relating to the Federal Government's Trade Outcomes and Objectives Statement for 2000, postponed till 11 May 2000.

General business notice of motion no. 552 standing in the name of Senator Stott Despoja for 10 May 2000, relating to Kosovar refugees, postponed till 11 May 2000.

Business of the Senate notice of motion no. 1 standing in the name of Senator Evans for today, relating to the reference of matters to the Community Affairs References Committee, postponed till 11 May 2000.

General business notice of motion no. 553 standing in the name of Senator Allison for today, relating to welfare services for at-risk school students, postponed till 10 May 2000.

Motion (by **Senator Calvert**, at the request of **Senator Ian Campbell**) agreed to:

That government business notice of motion no. 1, relating to the approval of works proposed in the Parliamentary Zone, be postponed till the next day of sitting.

DOCUMENTS

Return to Order

The DEPUTY PRESIDENT—Pursuant to standing order 166 and the order of the Senate of 6 April 2000, I present a document relating to heavy trucks specifications which was presented to the Deputy President on 18 April 2000. In accordance with the terms of the standing order, the publication of the document is authorised.

Auditor-General's Reports

Reports Nos 40 and 41 of 1999-2000

The DEPUTY PRESIDENT—Pursuant to standing order 166, I present two reports of the Auditor-General entitled *Report No. 40—Tactical Fighter Operations—Department of Defence* and *Report No. 41—Commonwealth Emergency Management Arrangements* which were presented to the Deputy President on 26 and 28 April 2000. In accordance with the terms of the standing order, the publication of the documents was authorised.

Responses to Senate Resolutions

The DEPUTY PRESIDENT—I present the following responses to resolutions of the Senate:

Response from the Minister for Employment, Workplace Relations and Small Business (Mr Reith) to a resolution of the Senate of 15 March 2000 concerning employment in South Australia.

Response from the Minister for Family and Community Services (Senator Newman) to a resolution of the Senate of 15 March 2000 concerning the reproductive health of women with intellectual disabilities.

Various responses to a resolution of the Senate of 9 March 2000 concerning the Nuclear Non-Proliferation Treaty Review Conference.

SENATE MATERIALS: USE IN COURT PROCEEDINGS

The DEPUTY PRESIDENT—Pursuant to parliamentary resolution No. 10, I present a letter from Arthur Robinson and Hedderwicks, Lawyers, notifying the Senate of the intended use in court proceedings of certain Senate materials.

PARLIAMENTARY ZONE

Senator IAN CAMPBELL (Western Australia—Manager of Government Busi-

ness in the Senate) (3.50 p.m.)—I table additional information relating to the temporary works associated with the running of the National Capital 100 V8 Supercar race carnival.

COMMITTEES

Public Accounts and Audit Committee

Report

Senator CALVERT (Tasmania) (3.50 p.m.)—On behalf of Senator Gibson and the Joint Committee on Public Accounts and Audit, I present a report on the draft budget estimates for the Australian National Audit Office for 2000-01, and I seek leave to incorporate the report in *Hansard*.

Leave granted.

The report read as follows—

STATEMENT ON THE DRAFT BUDGET ESTIMATES FOR THE AUSTRALIAN NATIONAL AUDIT OFFICE FOR 2000-2001

In accordance with provisions of the *Public Accounts and Audit Committee Act 1951* the Committee is required to make recommendations to both Houses of Parliament and to the Prime Minister on the draft budget estimates of the Australian National Audit Office (ANAO).

The Committee, having considered the draft budget estimates for 2000-2001 submitted by the Auditor-General is able to advise Parliament that it is satisfied that the estimates are sufficient to enable the Auditor-General to properly exercise his functions and powers under the *Auditor-General Act 1997*. The estimates specifically refer to the provision of assurance audit services, performance audit services and information services.

The 2000-2001 ANAO Budget submission is based on a detailed review of internal and external factors likely to impact upon the ANAO's service delivery and cost of outputs. The net impact of these factors and other underlying budget assumptions is a 4 per cent increase in employee expenses and an overall increase of 7.8 per cent in the net cost of services in the 2001 financial year. The total budget allocation being sought for 2000-2001 is \$50.1 million. The net budget outlay is estimated at \$39.3 million after taking account of estimated audit fees of \$10.8 million.

The draft estimates indicate a rise in net budget outlays in respect of the ANAO of \$4.5 million over the next four years. This is primarily because the costs associated with attracting and retaining skilled resources, either on a staff or on a contract basis, will rise significantly over this

period. Revenues from audit fees, are expected to remain relatively stable.

The ANAO recognises that the ongoing management and funding of accumulated employee entitlements is an important issue and intends undertaking further analysis to assist in determining both the time and cost involved in reducing the current level of accumulation and the appropriate level of investment required to meet future obligations. The ongoing issue of the management of leave arrangements will be dealt with in the context of the negotiations relating to the next Certified Agreement.

The Auditor-General told the Committee that in the present difficult market conditions the ANAO had maintained an ongoing recruitment program. The greatest challenge currently faced by the Audit Office was to meet the tighter deadlines for audited financial statements imposed under Charter of Budget Honesty legislation. The ANAO will make greater use of private sector resources as necessary to meet deadlines.

With respect to the ANAO's ability to deliver planned audits listed on the forward performance audit program, the Auditor-General told the Committee that requests for additional audits from Members of Parliament could not readily be delivered without some adjustment to the level of resources set aside for performance audits. Any adjustments to the existing program would be subject to consideration by the Committee given its role in providing advice to the Auditor-General on audit priorities.

During this financial year the Committee continued to refine the process by which it fulfils its responsibilities as the Audit Committee of Parliament. With respect to requests for *ad hoc* audits it was agreed that the Auditor-General will inform the Committee of any request and indicate the extent of its impact on the overall audit program. By means of this process the Committee is kept fully informed of the adequacy of resources available to the Auditor-General, a vital element in maintaining effective parliamentary scrutiny of executive government.

Mr Bob Charles

Chairman

9 May 2000

**HEALTH INSURANCE (APPROVED
PATHOLOGY SPECIMEN
COLLECTION CENTRES) TAX BILL
2000**

**HEALTH LEGISLATION
AMENDMENT BILL (No. 4) 1999**

First Reading

Bills received from the House of Representatives.

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

That these bills may proceed without formalities, may be taken together and be now read a first time.

Bills read a first time.

Second Reading

Senator IAN CAMPBELL (*Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts*) (3.52 p.m.)—I table a revised explanatory memorandum relating to the bills and I move:

That these bills 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 Health Legislation Amendment Bill (No 4) 1999 makes a number of amendments to the Health Insurance Act 1973, and will repeal the Health Insurance (Pathology) (Licence Fee) Act 1991. The Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999, which will operate in place of the latter Act, is being considered cognately. I will deal firstly with the amendments relating to pathology specimen collection centres which involves both bills.

Approved Collection Centres

The principal Bill addresses the arrangements for the collection of pathology specimens for the performance of pathology services eligible for Medicare benefits. The Health Insurance Act requires such specimens to be collected at places such as at a person's home, a recognised hospital, private hospital, nursing home, or other institution where the person is a patient. Pathology specimens can also be collected at a licensed collection centre operated by an approved pathology authority. However, the present arrangements under the Act for the licensing of collection centres exclude the public sector, do not place suffi-

cient emphasis on the quality of service and facilities at the centres, and are in general unnecessarily cumbersome in operation.

The proposed amendments address these issues to permit the introduction of a national approval system for specimen collection centres that is fair and open, emphasises quality collection services, and uses the level of Medicare pathology activity at laboratories of which an approved pathology authority is the proprietor as the normal basis for determining the number of collection centres that can be operated by it each year.

The Bill introduces a simplified procedure whereby approved pathology authorities apply for approvals for specimen collection centres as approved collection centres. This replaces the existing system involving the granting of units of entitlement. Approvals will be granted in respect of a financial year and the process will be subject to Approval Principles determined as a disallowable instrument under the Act.

The Approval Principles will be able to deal with matters such as the method for determining the maximum number of approvals that can be granted to an approved pathology authority in respect of a financial year, the giving of undertakings regarding compliance with quality guidelines, the duration of approvals, and the review of decisions made under the Principles. It is intended that the Approval Principles will prescribe a general method for the determination of maximum approvals for a financial year based on the experience of laboratories operated by an approved pathology authority over a specified 12 month period as reflected in Health Insurance Commission data. This is in contrast to the previous system of allocating units of entitlement by reference to a fixed pool. A four year phase in period is proposed to allow the industry time to adjust to a less regulated environment. The present policy of allowing additional approvals where collection centres are located in designated rural and remote areas will be continued.

The amendments will apply to both public and private sectors from 1 July 2000. State and Territory bodies, previously excluded from the licensed collection centre arrangements, will be able to apply as approved pathology authorities for approvals. The same regime will therefore apply to both public and private approved collection centres. At the same time, the provision which permits specimen collections to be made at a recognised hospital is being amended to make it clear that this only applies to collections at the main premises of the hospital where accommodation and nursing care is provided. Public and private approved pathology authorities that are

the sole proprietors of a prescribed category of laboratory will be able to apply for approvals for approved collection centres. It is expected that laboratory categories GX and GY, which will be operative from 1 January 2000, will be prescribed for this purpose.

An approved collection centre will be required to comply with the Collection Centre Guidelines published by the National Pathology Accreditation Advisory Council and developed by the Council and the Royal College of Pathologists of Australasia. With the inclusion of the public sector in the new arrangements, the amendments require the same level of quality for all pathology specimen collection centres at which collections are made for Medicare eligible services.

The design of the new arrangements, which will be administered by the Health Insurance Commission, has been jointly agreed with the Royal College of Pathologists of Australasia and the Australian Association of Pathology Practices, and is based on the framework contained in the 1999 Pathology Quality and Outlays Agreement.

The granting of an approval for an approved collection centre will be subject to a tax which must be paid before the Minister can grant an approval to an approved pathology authority for an eligible collection centre. This will be imposed by the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999.

The Tax Bill excludes grants of approval for approved collection centres located on the same premises as a category GX or GY accredited pathology laboratory from the tax.

This measure will promote equity between specimen collection arrangements in the public and private sectors. Most public sector category GX and GY laboratories are on recognised hospital premises where pathology specimen collections are permitted for Medicare purposes under the Act without separate approval as an approved collection centre. Most private sector category GX and GY laboratories are not on recognised hospital premises and require an approval for collection centres on those premises. The exclusion of these collection centres from the requirement to pay the annual tax is considered to be a fairer and more uniform approach between the public and private sectors.

This tax Bill sets the tax payable by an approved pathology authority on the grant of an approval at the rate of \$1000 for a full year (subject to pro-rata reduction). This is the same as that presently payable under the to be repealed Health Insurance (Pathology) (Licence Fee) Act 1991 in respect of

the grant of a licence for a licensed collection centre.

This Bill therefore in substance will preserve the status quo in relation to the collection of revenue, which I am informed in relation to licensed collection centres in recent years amounted to approximately \$1.3 million per annum.

Temporary Resident and Overseas Trained Doctors, and other minor amendments

Health Legislation Amendment Bill (No. 4) 1999 contains a number of other measures. It simplifies and clarifies the rules relating to temporary resident doctors (TRDs) and overseas trained doctors (OTDs) and the circumstances in which they can access Medicare. The Bill removes the 1 January 2002 sunset clause which requires that new medical practitioners be in an approved program or complete a recognised graduate program in order to provide services which attract Medicare. If this clause is not removed, there will be a significant financial impact on expenditure under the Medicare Benefits Scheme.

At present, temporary resident doctors are not medical practitioners for the purpose of the Act and are therefore not entitled to provide services which attract Medicare unless they obtain an exemption. Overseas trained doctors with Australian citizenship or permanent residence are subject to a ten year moratorium which restricts their access to Medicare benefits unless they are granted an exemption. However, the new legislation will reduce the inequities between the treatment of permanent and temporary resident doctors and streamlines the procedure to establish eligibility for Medicare benefits. The Bill will also reduce complexity of regulation regarding access to Medicare.

In addition the Bill makes a number of technical amendments. These include amending the definition of 'quality assurance activity' to include a reference to the Health Care (Appropriation) Act 1998. The definition of 'professional services' will be amended to clarify that a dental practitioner who is able to render a Medicare-payable service (in respect of oral and maxillofacial surgery) must have been approved for this purpose by the Minister **in writing**.

The definition of 'relevant offence' will be broadened to include offences under sections 23DR and 23DS of the Act, and an obsolete reference to section 21 of the Crimes Act 1914 will be deleted.

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

MEDICARE LEVY AMENDMENT (CPI INDEXATION) BILL 1999

THERAPEUTIC GOODS AMENDMENT BILL (No. 2) 2000

TAXATION LAWS AMENDMENT BILL (No. 10) 1999

First Reading

Bills received from the House of Representatives.

Senator IAN CAMPBELL (*Western Australia—Manager of Government Business in the Senate*) (3.52 p.m.)—I indicate to the Senate that those bills which have just been announced are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the *Notice Paper*. I move:

That these bills may proceed without formalities, may be taken together and be now read a first time.

Question resolved in the affirmative.

Bills read a first time.

Second Reading

Senator IAN CAMPBELL (*Western Australia—Manager of Government Business in the Senate*) (3.52 p.m.)—I table a correction to the explanatory memorandum relating to the *Taxation Laws Amendment Bill (No. 10) 1999* and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

MEDICARE LEVY AMENDMENT (CPI INDEXATION) BILL 1999

This bill amends the Medicare Levy Act 1986 and the A New Tax System (Medicare Levy Surcharge-Fringe Benefits) Act 1999 to increase the Medicare levy low income thresholds in line with increases in the Consumer Price Index.

The amendment to the Medicare levy low income thresholds will apply to the 1999-2000 year of income and later years of income.

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

I commend the bill.

THERAPEUTIC GOODS AMENDMENT BILL (No. 2) 2000

This bill makes a number of minor amendments to the Therapeutic Goods Act 1989. The two main amendments will introduce new offences for dealing with counterfeit therapeutic goods, and clarify the operation of section 20 of the Act that relates to the offence for the importation, exportation manufacture and supply of unapproved therapeutic goods.

The measures included in the bill that address the deliberate manufacture and supply of counterfeit therapeutic goods give effect to the Government's response in 1997 to one of the recommendations arising from a review of the Therapeutic Goods Administration, conducted by KPMG. The review was commissioned following the Government's request that key aspects of Australia's regulation of medicinal products be considered.

In its response to the KPMG Review, the government recognised that the Therapeutic Goods Act should give consideration to the need to further promote the medicinal product industry, while fulfilling Government's duty to protect consumers. These aims are not incompatible since the export of substandard therapeutic goods is both unacceptable from a public health perspective and also potentially damaging to the reputation of the Australian export industry generally, and the pharmaceutical industry specifically.

In his response to the KPMG Review, Dr Michael Wooldridge stated the Government considers it essential that Australia be a responsible member of the international community and should, as a signatory to World Health Organisation (WHO) Guidelines for the Development of Measures to Combat Counterfeit Drugs, ensure through its regulatory system that the production and export of counterfeit products is prevented as far as possible.

The proposed new offences dealing with counterfeit goods are in line with the WHO Guidelines. These describe counterfeit medicines as medicines that are deliberately and fraudulently mislabelled with respect to identity and/or source. Counterfeiting can apply to both branded and generic products and under the WHO Guidelines counterfeit products may include products with the correct ingredients or with the wrong ingredients, without active ingredients, with insufficient active ingredient or with fake packaging.

Specific measures required under the WHO Guidelines include that member countries promulgate legislation that regulates the manufacture, importation, distribution, supply and sale of drugs, thereby ensuring counterfeit drugs are pro-

hibited by law; that Governments ensure that these drug control laws are enforced, and that member countries should regard the counterfeiting of drugs as a serious offence and the judiciary be empowered to impose harsh sentences in keeping with the nature of the contravention.

The other main amendment contained in the bill seeks to clarify the offence in section 20 of the Act relating to the unlawful importation, exportation, manufacture and supply of unapproved therapeutic goods. This clarification has been necessitated by recent judicial comments and the decision of the High Court in the matter of Pan Laboratories Pty Ltd and the Director of Public Prosecutions.

Upon conviction of a sponsor of therapeutic goods at a criminal trial, a District Court Judge held that the construction of this provision had a particular meaning, but on appeal to the Supreme Court, Full Court (Court of Criminal Appeal) by the accused, two Supreme Court Judges held the provision could be interpreted differently, and a third Supreme Court Judge held it had yet a third meaning. On appeal by the Crown to the High Court of Australia to resolve the actual meaning of the provision, the High Court held that the remedy lay in an amendment of the Section, not in the appeal process.

The purpose of this amendment is to ensure that the burden of proof placed upon the Crown in relation to establishing the offence is clear and not open to such differing judicial interpretations. The proposed amendment makes it clear that the Crown must establish that the accused intentionally imported, exported, manufactured or supplied the goods concerned, and that the goods in fact were not registered, listed, exempt or otherwise approved.

An amendment has also been included to provide an additional ground for the Secretary to remove therapeutic goods from the Australian Register of Therapeutic Goods. This is where a sponsor of goods has published advertisements that are in breach of the Therapeutic Goods Advertising Code and has failed to comply with a direction or requirement of the Complaints Resolution Panel to remedy the breach. The Complaints Resolution Panel is established under the Therapeutic Goods Regulations to deal with complaints lodged by the public or members of the industry about advertisements for therapeutic goods that may be in breach of the Advertising Code. Any decision by the Secretary to remove goods from the Register is subject to review by the Administrative Appeals Tribunal. This proposed amendment strengthens the company-regulatory approach

adopted by the Government and industry in the regulation of advertising of therapeutic goods.

TAXATION LAWS AMENDMENT BILL (No. 10) 1999

This bill makes amendments to the income tax law and other laws to give effect to the following measures:

Restructuring of certain managed investment schemes

Taxation Laws Amendment Act (No. 7) 1999 provided taxation relief to a managed investment scheme and its members where it becomes a registered scheme in accordance with the Managed Investments Act 1998.

The amendments in this bill will provide further taxation relief to a person who either becomes a member or ceases to be a member of a scheme that makes more than one qualifying change.

The taxation relief will apply from 1 July 1998 to 30 June 2000—this is the same period that a managed investment scheme has to register under the Managed Investments Act 1998.

Film licensed investment companies

This bill will amend the Film Licensed Investment Company Act 1998, the Income Tax Assessment Act 1936 and Income Tax Assessment Act 1997 to allow a Film Licensed Investment Company (FLIC) to make returns of concessional capital as frankable dividends. This bill will also make a few technical amendments that will improve the clarity of the legislative structure governing FLICs.

This measure will prevent there being double taxation on returns of concessional capital made by the Film Licensed Investment Companies.

Income tax deductions for gifts etc.

The bill will amend the income tax law to allow deductions for gifts made to The Linton Trust. The Linton Trust was established to provide assistance to the families of five firemen who died fighting bushfires in Victoria on 2 December 1998. Gifts made to the Trust after 2 December 1998 and before 3 December 2000 will be deductible.

The amendments will also be made to extend, for a period of 4 Months, the time within which donations to The National Nurses' Memorial Trust will be tax deductible. An extension of time has been granted to the Trust so that it can raise additional funds for the construction of the memorial.

In addition the amendments will also give tax exempt status to non-profit organisations which promote the development of fishing and/or aquacultural resources. The income tax law grants

income tax exempt status to non-profit organisations that promote the development of a number of primary and secondary industries. The Government believes that fishing and/or aquacultural organisations should receive the same taxation concessions. The exemption will apply from the 1999-2000 and later years of income.

Cyclones Elaine and Vance Trust Account etc.

This bill will ensure that business recovery grants paid by the Cyclones Elaine and Vance Trust Account to eligible businesses in the affected areas are exempt from income tax. The decision to make grants exempt from income tax in the hands of the recipient recognises the extraordinary hardship inflicted by the cyclones and the threat to the communities' recovery prospects of businesses being unable to re-establish. The exemption will apply for the 1998-99 and 1999-2000 income years.

Mining and quarrying: balancing adjustments

This bill gives effect to the Government's announcement in a Press Release of 3 December 1998 that the tax treatment on disposal of mining property is to continue to operate as it previously did prior to the decision of the Full Federal Court in *Esso Australia Resources Ltd v FC of T*.

The effect of the *Esso* decision is that capital expenditure that was not previously deductible under the capital allowance provisions while a mine was operating can now become deductible under the balancing adjustment provisions in the income year in which the mine is disposed of.

In accordance with the Press Release, the proposed amendment will apply to disposals of mining property which occur after 4pm AEST, 3 December 1998.

Transfer of interest in petroleum projects

This bill will amend the Petroleum Resource Rent Tax Assessment Act 1987 to ensure that the Act operates as intended to permit taxpayers who abandon or walk away from a Petroleum Resource Rent Tax project, to take with them their share of any undeducted exploration expenditures.

The amendment will apply to taxpayers who walks away or abandons a project from the date of Royal Assent.

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

I commend this bill.

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

Ordered that the bills be listed on the *Notice Paper* as separate orders of the day.

ASSENT TO LAWS

Messages from His Excellency the Governor-General were reported informing the Senate that he had assented to the following laws:

- Adelaide Airport Curfew Bill 1999
- Census Information Legislation Amendment Bill 2000
- Health Insurance Amendment (Diagnostic Imaging Services) Bill 1999
- Primary Industries (Excise) Levies (GST Consequential Amendments) Bill 2000
- Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999
- Radiocommunications Legislation Amendment Bill 1999
- Radiocommunications (Receiver Licence Tax) Amendment Bill 1999
- Radiocommunications (Transmitter Licence Tax) Amendment Bill 1999
- Appropriation Bill (No. 3) 1999-2000
- Appropriation Bill (No. 4) 1999-2000
- Appropriation (Dr Carmen Lawrence's Legal Costs) Bill 1999-2000
- Interstate Road Transport Amendment Bill 2000
- Interstate Road Transport Charge Amendment Bill 2000
- Road Transport Charges (Australian Capital Territory) Amendment Bill 2000
- Taxation Laws Amendment Bill (No. 5) 2000
- A New Tax System (Tax Administration) Bill (No. 1) 2000
- A New Tax System (Family Assistance and Related Measures) Bill 2000
- Albury-Wodonga Development Amendment Bill 1999
- Australian Wool Research and Promotion Organisation Amendment (Funding and Wool Tax) Bill 2000
- Aviation Legislation Amendment Bill (No. 1) 2000
- Child Support Legislation Amendment Bill 2000
- Fisheries Legislation Amendment Bill (No. 2) 1999
- Telecommunications (Numbering Charges) Amendment Bill 1999

**CUSTOMS TARIFF AMENDMENT
BILL (No. 1) 2000**

**Report of the Economics Legislation
Committee**

Senator CALVERT (Tasmania) (3.54 p.m.)—On behalf of Senator Gibson, I present the report of the Economics Legislation Committee on the provisions of the **Customs Tariff Amendment Bill (No. 1) 2000** and a related bill, together with submissions received by the committee.

Ordered that the report be printed.

**A NEW TAX SYSTEM (TRADE
PRACTICES AMENDMENT) BILL 2000**

**Report of the Economics Legislation
Committee**

Senator CALVERT (Tasmania) (3.54 p.m.)—On behalf of Senator Gibson, I present the report of the Economics Legislation Committee on the **A New Tax System (Trade Practices Amendment) Bill 2000** together with the *Hansard* record of the committee's proceedings.

Ordered that the report be printed.

**TRANSPORT AND TERRITORIES
LEGISLATION AMENDMENT BILL
1999**

Second Reading

Debate resumed from 4 April, on motion by **Senator Herron**:

That this bill be now read a second time.

(*Quorum formed*)

Senator MACKAY (Tasmania) (3.57 p.m.)—I rise to indicate the opposition's position in relation to the **Transport and Territories Legislation Amendment Bill 1999**. I indicate at this point that we will be opposing the main amendments contained in the bill. We oppose the amendments contained in schedules 2 and 3 and part 1 of schedule 5 of the bill, and we support those remaining amendments that we were given advanced notice of. In order that the amendments be passed, we will be moving amendments in the committee stage that allow us to oppose schedules 2 and 3 and part 1 of schedule 5 and then support the remaining provisions of the bill.

I would like to indicate at this stage that the opposition have just been given a set of amendments by the government—literally about half an hour ago—relating to the substantive sections of the bill as circulated but also seeking a number of amendments in relation to the Australian National Railways Commission. This came as a bit of a surprise to the opposition, I have to say. We were not apprised of this prior to the bill coming on; we have just received the amendments that have been circulated in the chamber. I must say that, if the government were keen to get some of these amendments through, it would have been appropriate to advise the opposition in a timely sense, because at the moment we have no idea about what our position is. Of course, we would not be the only ones; I suspect this would also come as a surprise to the Democrats. So at this point, the opposition is confined to talking about what we have been advised about, which is what was considered by the House of Representatives.

I see that Senator Greig has just arrived. I suppose the amendments that have been circulated in relation to the Australian National Railways Commission may come as a surprise to him as well, because obviously the Democrats have not been advised. As I said earlier, we were only advised of these about a half hour ago, but I will leave it to Senator Greig to make a comment on that.

In relation to the amendments that the opposition has circulated, I will make a brief contribution and outline our position. At the committee stage, I will further explore some of the government's proposed amendments—the ones that we have actually had for some time as distinct from the ones we got only about half an hour ago.

With respect to schedules 2 and 3—the industrial relations provisions—the amendments in schedule 2 and 3 amend respectively the Christmas Island Act 1958 and the Cocos (Keeling) Islands Act 1955. The amendments will, one, remove the reference to a court of Western Australia which has been abolished; two, make changes in relation to industrial disputes; and, three, repeal obsolete provisions relating to the removal from and the return to the territories of accused persons and prisoners. What concerns

us in relation to these amendments is the second item, which constitutes, in our view, an attempt to bring the majority of workers on Christmas Island and the Cocos (Keeling) Islands under Western Australian industrial relations law. The current situation is that, as Commonwealth territories, the Workplace Relations Act 1996 applies on the islands.

It probably does provide some useful purpose to go into a bit of the background in relation to some of these provisions, much of which, of course, occurred when Labor was in government. However, it has been substantially changed and, given the ideological position of the coalition in relation to industrial relations, this comes as no surprise to us, but it is a little bit perplexing. In 1992, a review into the legislative arrangements on the islands was conducted and concluded that Western Australian law be extended to the islands, providing them with a living body of law. However, in 1992, the proposal was that the Commonwealth retain power over industrial relations issues as well as maintain the power to expressly apply any other piece of Commonwealth legislation. Under the Commonwealth industrial relations act, there is the requirement of interstateness, which is needed to activate the relevant provisions. This was removed in relation to the islands.

Under the new legal regime, there was also a provision for the Commonwealth to enter into service delivery arrangements with the Western Australian government to ensure the effective application and administration of the Western Australian laws in force in the territories. Agreements have since been reached with most Western Australian state government agencies with regard to a number of service delivery agreements in existence. At the time that the new regime was introduced, the Western Australian government became concerned with the operation of Commonwealth industrial relations law on the islands as many Western Australian public sector employees would be working on the islands under the service delivery agreements. They were also concerned that a dispute arising on the islands may spread back to Western Australia, fulfilling the interstate-ness requirement and bringing the Com-

monwealth industrial relations act into operation in Western Australia.

To avoid this, the Western Australian government—we are dealing here with the 1992 issue—sought to have Western Australian public sector employees working on the islands exempt from the Commonwealth industrial relations laws operating on the islands. In responding to this, the Australian Council of Trade Unions at that point gave a commitment to the Western Australian government that neither the ACTU nor the Trades and Labour Council would seek to apply conditions of work on the island to mainland employees, which I think was a very fair summation in relation to that issue. However, the Western Australian government, not surprisingly, was not satisfied. It entered into formal negotiations with the federal government and the ACTU. Early in 1994, it was agreed by all the parties involved that the Christmas and Cocos (Keeling) islands acts would be amended to disapply their industrial relations provisions in relation to Western Australian public servants. The implementation of this agreement did not occur before the 1996 federal election, and in 1996 was delayed by the introduction of the first wave of the Workplace Relations Act 1996. We have not heard from the government since in relation to this matter, until today.

Suddenly we have a bill before us—parts of which have gone through the House of Representatives, and some of the amendments have not been presented to the House of Representatives—that attempts to bring the majority of workers on Christmas and Cocos islands under the Western Australian industrial relations scheme. The amendments contained in this bill not only will disapply Commonwealth industrial relations law operating on the island with regard to Western Australian public servants but are broad enough to actually cover private sector workers as well as public sector workers. In our view, this bill attempts to override an agreement reached in 1994 after extensive negotiations with all relevant parties. Just to recap, we were talking at that point about the then federal Labor government, the Western Australian state government and the ACTU,

and clearly consultation had occurred with the people on the islands as well. But now we have a situation whereby that agreement, which we as an opposition, might I say, would have been quite happy to sign up to if that was as far as the amendments went, has gone substantially further and will in fact cover private sector workers as well—something that we will not be agreeing to.

In seeking to implement what is really a whole new industrial relations regime on these islands, the government, as far as we are aware—and I am happy to be corrected by the minister—has undertaken insufficient consultation with employers or employer groups on the island. But here we are being asked to support the bill today. This is after, might I say, an extremely extensive consultation process which occurred in relation to the 1994 agreement, and that would have gone through the parliament had the unfortunate 1996 federal election not interrupted the flow of good government.

Let me make it very clear that the opposition does not support the overriding of an agreement reached between all the relevant parties in respect of this legislation and these amendments. We do not support the lack of consultation and the fact that there has been very little consideration of this new initiative with regard to the Indian Ocean territories and communities. We are totally opposed to the extension of the Western Australian industrial relations law to the Indian Ocean territories. I will be exploring what we believe are the government's reasons for pursuing this path when we come to the committee stage. I would like to now outline the provisions contained in schedule 5, part 1 of the bill and our opposition to them and what it is predicated on.

Schedule 5, part 1 contains a proposal specifically with respect to parliamentary secretaries in the Northern Territory government. Currently in the Northern Territory there is one parliamentary secretary formally, as I understand, appointed in 1998. In 1978 the Northern Territory act that set up the Northern Territory Assembly made no reference to parliamentary secretaries at all. This means that the 1998 appointment does not carry a separate salary, nor can the appointee

participate as a member of the Territory's Executive Council. The Northern Territory is probably the most governed of all the jurisdictions in our country. Its legislature has 25 elected members—one for every 3,200 voters. There is absolutely no doubt in our minds that it is the intention of the Northern Territory government in establishing formally the position of parliamentary secretary to then proceed to establish a new rate of pay with respect to the position. In fact the explanatory memorandum itself states that this amendment is 'to provide for the appointment of parliamentary secretaries and for them to be members of the Northern Territory Executive Council and receive remuneration for their services'. I understand the minister in the lower house attempted to say that this was not the case, that there was no intention in relation to remuneration for parliamentary secretaries, but to obviate any needless time wasting in relation to that debate I thought it might be apposite to point that out at this juncture.

This amendment is clearly designed to ensure that the parliamentary secretary of the Country Liberal Party government in the Northern Territory is paid, otherwise why would there be reference in the explanatory memorandum? Obviously, in light of some of the very serious issues that face the Northern Territory at the moment, from our perspective these provisions are simply precipitous, to say the least. This government would do better, in the opposition's view, to concentrate its efforts on resolving some of the problems, particularly within the justice system, in the Northern Territory or, more broadly, start addressing the problems that rural and regional Australia are now confronting following four rounds of budgetary cuts under this government. I guess we all wait with bated breath for the budget to be brought down later today. What this amendment seeks to do is put money into the pockets of the Northern Territory CLP, not into the pockets of Territorians. So we do not think there is any need for this to be carried.

The remaining amendments in the bill are contained in schedules 1 and 4 and are supported by the opposition. I would like to restate for the benefit of those senators who

were not here before that we have just received additional amendments from the government that go to a number of our amendments but also include several amendments relating to the Australian National Railways Commission and we have not had an opportunity to consider them. These were not considered by the House of Representatives. So, as I said before, in relation to reasonable management of business, I think this bill ought to have been deferred to give opposition parties—ourselves and the Democrats in particular—some opportunity to have a look at these amendments because it may well be that some of them are worth supporting. We simply have not had the time and, if the government were serious about getting some of these amendments carried, it would have been advisable for the government to either give these to us earlier or ensure that the bill did not proceed at this point.

We support amendments that have been circulated prior to today to schedules 1 and 4. These amendments concern respectively (1) the implementation of the 1991 Madrid Protocol on Environmental Protection to the Antarctic Treaty and (2) the changed quorum requirements for the National Capital Authority. Further, there are minor amendments contained in schedule 5, part 2 that correct drafting errors and remove gender specific language that of course the opposition supports. Schedule 1 makes what are effectively technical amendments to the Transport and Communications Legislation Amendment Act (No. 2) 1992. These amendments allow Australia to legally enforce its obligations under Annex IV of the 1991 Madrid Protocol on Environmental Protection to the Antarctic Treaty. Arguably, Australia has been in breach of its international obligations since 1998 when the treaty came into force, and these amendments correct the situation. I would say to the chamber that it appears that sometimes the government does take notice of international obligations, and we would welcome this change.

The amendments contained in schedule 4 remove the requirement for the full-time member of the NCA, the National Capital Authority, normally the CEO, to be present at meetings for a quorum. This change will

allow for a quorum where the full-time member has declared a pecuniary interest in the matter being addressed and cannot be present. The amendments contained in these two schedules are practical and sensible and are not opposed by the opposition. In order to facilitate their adoption, we will be moving amendments that remove schedules 2 and 3 and schedule 5, part 1, from the bill to then allow schedules 1 and 4 as well as the provisions correcting drafting errors and removing gender specific language to be passed.

In its present form, the opposition cannot and will not support this bill. Schedules 2 and 3 of the bill seek to override an agreement reached between all of the parties concerned in 1994 and from our perspective there has been inadequate consultation with the very people that they affect. The member for the Northern Territory, whose electorate includes Christmas and Cocos islands, has consulted with the islanders over the contents of these amendments—he would urge the government to do so as well—and has been told that they are opposed. Obviously the government seeks to impose its view in relation to this, except when it is dealing with the Northern Territory government; then the government says that the communities must be left to make their own decisions about what they need. For this government it is not a matter of interfering or not; it is really about what suits any particular given point.

These schedules are about forcing rejective reforms in the area of industrial relations on to a group of workers in the IOTs. We believe the money would be better spent in relation to the remuneration for parliamentary secretaries in terms of providing additional assistance to the Northern Territory—certainly money that the Northern Territory is crying out for. Just to reiterate to the chamber, we will be moving amendments that will remove the schedules of the bill that we will not be supporting, but we will support the schedules in the bill that represent, in our view, sensible and practical changes.

In conclusion, seeing that the minister has just joined us, I wish to reiterate that we received some amendments to this bill only about half an hour to three-quarters of an

hour ago, which has meant that we have not had the time to consider the amendments, some of which may be supportable by the opposition. More explicitly, I suppose, we are curious as to where the amendments relating to the Australian National Railways Commission came from because, as far as we are aware, this is the first time that the opposition has received them. As I said, these may be amendments that we would support, but we simply have not had the time to look at them to determine their impact and to see how they actually interrelate to this bill. I understand the Democrats are in the same boat. Hopefully, at the expiration of various speeches on the second reading of this bill, we might be in a position to sort some of this out and at least have some time to consider the government's amendments. But at this point we are completely in the dark as to what the implications are. I would urge the government and the minister to consider deferring the committee stage of the bill in order that we can have consultations with the government and the Democrats in relation to these amendments. At this point, we are unfortunately not in a position to agree.

Senator GREIG (Western Australia) (4.15 p.m.)—The [Transport and Territories Legislation Amendment Bill 1999](#) before us today has considerable scope, being an omnibus bill. With perhaps the exception of Norfolk Island, almost all territories are having something tinkered with in their various structures of self-government. As far back as 1991, the House of Representatives Standing Committee on Legal and Constitutional Affairs inquired into external territories and published their report *Islands in the Sun*. The following statement about process was made regarding the Cocos (Keeling) Islands—one of the subject matters of the bill. The House of Representatives committee said in its report at points 4.9.2 and 4.9.3:

Before examining possible options, however, it was essential that the Cocos Malay community and other Cocos residents be consulted, in order to determine their wishes in this regard.

The need for direct consultation with the residents of the Territory was considered crucial for a number of reasons that are unique to Cocos (Keeling) Islands Territory. First, it was clear from the sub-

missions to the committee that the Cocos Malay community itself places considerable emphasis on the need for and the importance of consultation. Second, such consultation is consistent with the spirit of the Cocos Act which specifically provides for the preservation of the institutions, customs and usages of a Territory. Third, the community submitted to the committee that they had 'no expertise in the area of laws' and wished their inexperience to be taken into account in the committee's consideration of the legal regime of the Territory. In addition, the Council submitted that it was of paramount importance for any proposals and their implications to be explained.

The Australian Democrats concur with these comments but would add that those principles contained in the *Islands in the Sun* report, as they applied to the Cocos (Keeling) Islands, should also apply to other remote Australian territories, such as Norfolk and Christmas islands.

My colleague Senator Bourne touched upon some of these issues when the Senate rejected the [Norfolk Island Amendment Bill 1999 \[2000\]](#). As recently as 9 March this year, Senator Bourne said:

It is interesting to note that the Norfolk Island Amendment Bill is not supported by the Norfolk Island government, nor is it supported by many members of the Norfolk Island community. The Norfolk government has said that it does not want Australia interfering in its local government or its electoral laws, both of which have worked well for 20 years. The government's firearms provisions have now been withdrawn by the government, and these too were said by the Norfolk Islanders to be quite unnecessary. The Senate Selection of Bills Committee last year found that this bill contained contentious issues and referred it to the Senate Legal and Constitutional Affairs Committee. The minority report of that committee, signed by Senator Lyn Allison of my party, found no compelling reason to support the bill and recommended against it. The Democrats will therefore not be supporting the bill.

What Senator Bourne identified during that debate—and what is evident with the bill currently before the Senate—is that the government is not inclined to consult with the smaller and more vocal communities that comprise some of Australia's external territories. That is an unacceptable position for the Australian Democrats. The contrast that the provisions of this bill represent are quite stark.

In the case of Christmas Island and the Cocos (Keeling) Islands, the government is seeking to impose the draconian Court government's either second or third wave of industrial relations reforms. Chair, as a Western Australian, you would be aware of that particular contentious and unpopular piece of legislation and the extent to which it motivated many in the Western Australian community to rally in numbers in opposition to that bill—the likes of which have not been seen before—and I was one of the many people there in opposition to that legislation. Even more curious is why the government considers its own legislation—the Workplace Relations Act 1996—to be in some way unworthy for the people of the Cocos (Keeling) and Christmas islands. The Democrats disagree. As a preferred option, we believe that the safeguards which are inherent in the Commonwealth act should remain. The Democrats will be supporting the opposition's amendments in that regard.

It is perhaps salient to pause for a moment and consider the process by which we saw the enactment of Western Australia's controversial and interesting industrial relations laws. I note that Senator Lightfoot is not here to join in this part of the debate. The Senate may recall that, until the state election in Western Australia in December 1996, the entire history of the Western Australian Legislative Council was one of conservative domination. It had since Federation been dominated through the gerrymander in the upper house system in that state. Until that time, unlike the Senate, there was no effective house of review. It was simply a rubber stamp for conservative governments and a blocking mechanism for non-conservative governments. The government's then agenda in the Western Australian parliament was significant. In the 1996 Western Australian election, we saw for the first time conservative politicians faced with the reality of an accountable upper house following the success of, particularly, the Australian Democrats, and then giving them the balance of power in the Western Australian Legislative Council. It saw the election of my state colleagues the Hon. Helen Hodgson and the Hon. Norm Kelly that moved WA, I think, out of the political dark ages and into a much

more democratic paradigm that previously did not exist in that state.

Unfortunately, the late senator for Western Australia Mr John Panizza died on 31 January 1997, resulting in the creation of a Senate casual vacancy, which was ultimately filled by Senator Lightfoot when he was chosen on 19 May 1997 by the parliament of Western Australia under section 15 of the Constitution—that is very much on the public record. What is generally not realised is that, although Senator Panizza passed away on 31 January, the balance of power in the Western Australia upper house was about to change.

To recap the time line, the state election was in December 1996, with fixed terms commencing on 22 May 1997. Senator Panizza passed away in January. Western Australia's industrial relations laws were passed on 15 May 1997, after which then MLC Mr Ross Lightfoot became Senator Ross Lightfoot. So there was this extraordinary period—I think you will recall, Mr Acting Deputy President McKiernan—of some five months between the untimely death of Senator Panizza and the appointment of Senator Lightfoot. It was during that period that Premier Richard Court and his industrial relations minister, Mr Graham Kierath, rushed through what is arguably the most regressive industrial relations legislation in the country. While Premier Court may have thwarted the democratic intention of the people of Western Australia—who voted for a non-government controlled upper house in December 1996—we are not about to let that happen again. The Australian Democrats will be supporting the opposition's amendments as they relate to industrial relations on Cocos (Keeling) and Christmas islands.

With regard to Norfolk Island, I wish to briefly refer to some of the matters as they concerned that island because, although it does not impact directly on the legislation before us, I think the bill is symptomatic of the government's attitude to some of our smaller external territories. The minister and his predecessor persisted with this bill against the advice of the very people it concerned. That legislation went to the very heart of the Norfolk Island community. They did not want Australia interfering in their

local government and their electoral laws, both of which have worked remarkably well for 20 years. As a parliament we are greatly diminished when we seek to interfere in small communities with unique histories and cultures. The Norfolk Island community is a self-sufficient population of some 1,700 people dependent on tourism and services, with a stable government, a strong economy and an enviable social services structure. The population is a unique blend of Tahitian and Anglo-Saxon origin. They seem to manage their place, with all its differences, a lot better than the present government seems to be managing some of its departments.

The Australian government gave them partial self-government in 1979, with a path to full self-government promised 'within five years'. It has not happened, and there is no good reason why it has been delayed. The government should not have brought that legislation before the Senate. It was drafted without consultation with the Norfolk Island community. Once the Norfolk Islanders became aware of the contents, their response was to strongly oppose it. So it has been the case with the people of Christmas Island. In answer to a question, No. 717 on 21 June 1999, the minister stated:

... consultation with the Norfolk Island Government concerning the drafting of the Norfolk Island Amendment Bill 1999 has been ongoing since the government's announcement of the proposed changes on 5 March 1999.

What that really says is that we sent them the bill; and they objected strongly and kept objecting, and still do. There was no consultation. The Chief Minister and ministers of the Norfolk Island government came to Canberra twice last year to try to persuade the minister to abandon that legislation. They had also objected strongly when the former minister raised it in early 1998. The Norfolk Island government and the Shire of Christmas Island held a day-long external territories conference here in Parliament House last November. Here, among other long overdue requests of the minister, they again sought to have the legislation abandoned on the grounds it was not wanted by the community, it achieved nothing for Australia and it

diminished their progress towards self-government.

In 1998, when the legislation was first announced, the Norfolk Island community held a referendum, in which over 80 per cent of the people opposed the outcome of the bill. The Commonwealth, not content with that, said they might take more notice of a referendum with appropriate wording. Again, in May 1999, the community voted by a majority of some 74 per cent against these proposed changes. The Senate Selection of Bills Committee last year found that the bill contained 'contentious issues' and referred it to the Senate Legal and Constitutional Affairs Committee. The minority report to that committee found 'no compelling reason' for the bill and recommended against it. Yet the minister has still persisted with that bill and the one before us.

There is still a great deal of confusion and irrationality surrounding the issue of powers held by both the Australian and Norfolk Island governments in regard to the administration of that island. A Commonwealth Grants Commission report on the island in 1997 said that:

... a future Norfolk Island would be simpler and easier to administer if the powers reserved to the Commonwealth were specified and the powers available to the Norfolk Island Assembly remained unstated.

There at least needs to be some attempt to further the question of an appropriate system of self-government. This bill does not do that. It has caused offence to many islanders and it does not warrant animosity between the Australian mainland and the community on Norfolk.

The Norfolk Island Act 1979 begins with a unique and lengthy preamble. It is clearly intended to clarify the position of Norfolk Island with regard to the Commonwealth of Australia. The island has responsibility for a wide range of matters, including child, family and social welfare, labour and industrial relations, social security, public health, education, telecommunications, immigration and customs, and lotteries and gaming. Federal laws do not apply to the island unless specific provision is made in the relevant law. All transfer of powers has been at the initia-

tive of the Norfolk Island government, and the last applications for consent occurred some seven years ago. The list of powers is now complex and lacks clarity as to separate responsibilities.

Senator Ian Macdonald—I raise a point of order, Mr Acting Deputy President. I appreciate that in speeches on the second reading a very wide discretion is allowed. I simply raise the issue—in case Senator Greig is talking about a different bill from the one I think we are talking about—that the bill before us has absolutely nothing to do with Norfolk Island. Senator Greig is giving us an interesting discourse on a previous bill that was before us, and it is an interesting historical account, but I raise the issue only in case Senator Greig has misdirected himself as to what this bill is about. If he has not, perhaps I have been uncertain as to the contents of this bill. But, as I understand it, this has nothing whatsoever to do with Norfolk Island and the debate Senator Greig is embarking upon is one we had a month or so ago in relation to other issues.

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—As I understand it, from a cursory glance at the bill, Senator Macdonald, the bill contains an amendment to the Norfolk Island legislation, so I rule that there is no point of order.

Senator GREIG—Thank you, Mr Acting Deputy President. That had always been my understanding, given the omnibus nature of the bill. As I was saying, federal laws do not apply on the island unless special provision is made in the relevant law. The time has come when Australia must nominate the powers it wishes to retain and devolve the remainder of those powers to the Norfolk Island government. It is now time to seriously consider such questions as the granting of powers equal with those of other states and self-governing territories; recognising that some federal powers will always remain with the Commonwealth; allowing for the devolution of some federal powers, taking into account the island's requirements for self-sufficiency and the lack of federal funding; and having federal laws not apply on Norfolk Island unless specified, as at pre-

sent. It is a constitutional evolution and not a revolution that we are arguing for.

In concluding, I wish to restate that Norfolk Island is, to all intents and purposes, a different place from Australia, and that that, in and of itself, is not a bad thing. Australians by now have learnt—particularly from the experiences of indigenous peoples—that heavy-handed treatment of small communities is frequently catastrophic. Minister, one thing is quite clear out of this process: there is a significant degree of animosity between Norfolk Island, Christmas Island and the Cocos (Keeling) Islands and the department and your office. Perhaps a more conciliatory and consultative approach may gain greater support from the Australian Democrats on the next occasion that you seek to deal with the constitutional framework of the external territories.

In terms of other territories and amendments, other parts of the bill also apply to the internal territories—that is, the Northern Territory and the ACT. In so far as the amendments which apply to the ACT are reasonably procedural and are to that end cosmetic, they have the support of the Democrats. The Northern Territory is quite another matter. In short, the amendments that apply to the Northern Territory (Self-Government) Act of 1978 are to create the position and, I presume, the salaries of parliamentary secretaries. How ironic, then, that the administration of the Northern Territory sees no inconsistency with the upgrading of political perks while at the same time maintaining on its statute books laws which require the mandatory sentencing of both children and adults. Whatever the amelioration that the deal between the Prime Minister and Mr Burke may bring about, while those laws remain on the books for adults and children alike the Northern Territory continues to demonstrate its unworthiness for greater progress towards self-government and even statehood.

Accordingly, I foreshadow that I will be moving amendments consistent with the co-sponsored legislation from Senators Bolkus, Brown and me that did pass the Senate—in so far as it applied to the Northern Territory—as well as with the sentiments ex-

pressed in Mr Andren's private members bill and in the bill of the Leader of the Opposition, Mr Beazley. I look forward to the support of the Senate on that. In terms of the very late amendments moved by the minister in relation to railways, I must confess that I too have not had time to seriously look at or consider them and consult with others on them, and I wonder if—picking up Senator Mackay's suggestion—they could not be deferred or delayed in some way so that I could do that. The introduction of those amendments at this very late hour is unreasonable.

Senator Ian Macdonald—I rise on a point of order, Mr Acting Deputy President. I apologise to Senator Greig. I see that the Norfolk Island Act is involved. We are changing a colon to a full stop and adding the word 'or'—

The ACTING DEPUTY PRESIDENT—Order! That is not a point of order. Senator Macdonald, please resume your seat. There is room for explanations such as that at the conclusion of the debate.

Senator CROSSIN (Northern Territory) (4.33 p.m.)—I specifically want to go to three sections of the [Transport and Territories Legislation Amendment Bill 1999](#), those which relate to my areas of interest, coming as I do from the Northern Territory and having responsibility for Christmas and Cocos islands in the federal jurisdiction. The first of the parts of the bill that I actually want to talk about this afternoon are schedules 2 and 3, which seek to amend the Christmas Island Act of 1958 and the Cocos (Keeling) Islands Act of 1955. These amendments seek to ensure that Western Australian workers and employers working on Christmas Island or Cocos (Keeling) Islands will not be subject to the Workplace Relations Act of 1996. These changes endeavour to bring all workers on Christmas and Cocos islands under the Western Australian industrial relations laws.

In historical terms, in 1955 and 1958, some years ago, the Cocos and Christmas islands acts respectively realised the hand-over of the islands to Australia. The Commonwealth government then assumed legislative responsibility for the islands; however, Commonwealth acts were not to apply on the

islands unless it was expressly requested that they do so, and the power to make ordinances was reserved to the Governor-General. At the time the new regime was introduced, the Western Australian government became concerned with the operation of the Commonwealth industrial relations law on the islands, as many Western Australian Public Service employees would be working on the islands under arrangements established by those service delivery agreements. They were also concerned that a dispute arising on the islands could, for example, spread back to Western Australia, fulfilling the interstateness requirement and bringing into operation the Commonwealth Industrial Relations Act. For those reasons, the Western Australian government sought to have the Western Australian public sector employees working on the islands exempted from the operations of the Commonwealth industrial relations laws.

However, unfortunately, the Western Australian government was not satisfied with those undertakings, and it therefore sought to enter into formal negotiations with the federal government back then and with the ACTU. Accordingly, as I understand it, in early 1994 it was agreed that the Christmas and Cocos islands acts would be amended to apply their industrial relations provisions in relation to Western Australian public servants. The implementation of this agreement, however, did not occur before the 1996 federal election; and, of course, in 1996 it became caught up with the introduction of the Workplace Relations Act. Unfortunately, we have not heard from the government on this issue since. The truth of the matter is that for those reasons—that is, the failure to act after the 1996 election—the issues remain unresolved; hence one can deduce the reason we have the current bill before us.

The problem is that today we have before us an attempt to bring Christmas and Cocos islands under the Western Australian industrial relations scheme, which to my understanding clearly was not the intent of the discussions entered into back in 1995. The amendments contained in this bill are not only to apply Commonwealth industrial relations law operating on the island with re-

gard to Western Australian public servants; they are also, unfortunately, broad enough to cover all private sector workers as well. This, I believe, goes far beyond the original agreement of the Western Australian government, the Commonwealth and the ACTU representatives at the time. This amendment is not something that is accepted by the people of Christmas Island or the people of the Cocos Islands. There has been no appropriate process of consultation or deliberation about these proposals by those communities, and there certainly has been no consultation over this issue with the unions concerned—the Union of Christmas Island Workers and the Liquor, Hospitality and Miscellaneous Workers Union in Perth—or the employers on the island. So the question that is begging is: what is wrong with the current system?

The Western Australian government have had a commitment from the ACTU since 1994 that the industrial relations situation in these two territories was of no relevance to WA, and neither the ACTU nor the Trades and Labour Council would seek to apply the territories' conditions of work to mainland employees under service delivery arrangements. So, whatever the concerns of the Western Australian government, they are unwarranted. No evidence has been forthcoming as to why these amendments should be legislated. There is no evidence that any of the unions have sought to apply island conditions of work to mainland employees. I want to read out the definition of what a Western Australian employee is under section 3 of that state's Industrial Relations Act 1979. That says:

An employer shall, for the purposes of subsection (1), be connected with the state if that employer—

- (a) is domiciled in the State;
- (b) is resident in the State, normally or temporarily;
- (c) being a body corporate, is registered, incorporated, or established under a law of the State or is for the purposes of the Companies (Western Australia) Code deemed to be related to such a body; and
- (d) in connection with the industry concerned, has an office or a place of business in the State ...

So not only is this definition very broad but also it applies to an employee whose employer is connected to Western Australia.

These amendments go well beyond the original agreement of 1994 and would potentially allow all island employees to move to the Western Australian industrial relations system. That includes private sector workers who will be brought under the Western Australian law in this case. The employees of the island administration are Commonwealth employees. The amendments would result in two industrial jurisdictions on the island, and there is absolutely no need for that. It is the Labor Party's view that in developing our relationship with these territories we should accept that they need to be able to make decisions themselves, and that we should be moving along a path which provides for them the capacity to determine which laws of Western Australia apply and how they apply after consultation with the Western Australian legislature and with the Commonwealth minister.

Another point is that the people of Christmas Island have no voice in the Western Australian parliament and would have no access to any amendments which the Western Australian industrial relations legislation may afford them. Their only voice is through this federal parliament. They have not chosen to be, nor do they want to be, part of the Western Australian legislative system. They do not want to be part of the political system in that state either. This government and this parliament should be respectful of that wish at least. Currently we know that there is an administrator responsible for both Christmas and Cocos islands. That administrator is responsible directly to the minister in the chamber this afternoon, and there is no compulsion on the Administrator—or indeed the minister for that matter—to negotiate over issues to do with the community. There is no compulsion upon the Administrator or those he works with to seek a consensus over what should happen on those islands in terms of the legal regime, and there is no compulsion on the government to see how these communities would like to advance themselves.

This bill also demonstrates that the people of Christmas Island and the people of the

Cocos Islands will not be consulted and in fact have not been consulted. They will not have a role in decision making. Their views will not be properly accommodated. What the government should be doing, rather than imposing its view and its will and the view of the Western Australian government on these territories, is sitting down and talking with those people and finding out what they want, what their priorities are and how this government can work with rather than against their interests. Too often we have seen this government go down this track and disregard the will of the people, particularly on Christmas and Cocos islands, and it is about time it started to listen to that community. It is hypocritical to talk about self-government for the Northern Territory—and we do this constantly as we uphold the democratic rights of Territorians—but not apply the same standards for the people of Christmas and Cocos islands.

I turn now to schedule 5, which seeks to create the position of parliamentary secretary in the Northern Territory Legislative Assembly. These amendments give legislative recognition to the position of parliamentary secretary in the Northern Territory Legislative Assembly. This provides payment of salary. Contrary to what you said a moment ago, Minister, when you corrected Senator Greig, if you turn to page 2 of your own memorandum in relation to this bill, the fifth dot point explains the amendment to the Northern Territory (Self-Government) Act and goes on to say that this amendment provides for the appointment of parliamentary secretaries and for them to be members of the Northern Territory Executive Council and receive remuneration for their services. So the intent of this amendment is that it would go to the payment of salary. You should also be aware that Northern Territory parliamentarians have their salaries and conditions directly linked to federal politicians, and your own explanatory memorandum points out that this will enable them to receive remuneration for their services. It also allows them to be part of the Executive Council as parliamentary secretaries. The Northern Territory government has one parliamentary secretary—Steve Hatton, the member for Nightcliff, who is Parliamentary Secretary to the Chief Minis-

ter on Statehood, which in itself is fairly absurd given that the people of the Northern Territory voted overwhelmingly against the statehood referendum in October 1998, a clear slap in the face for the Northern Territory government, which was pushing for statehood but failed to properly consult the people on this issue at the time.

This amendment is open ended. It does not restrict or limit the number of parliamentary secretaries that may be appointed by the Administrator. This amendment will be opposed because it will mean an additional expense to the taxpayer in the Northern Territory, an expense that we believe is unwarranted and unjustified. It exacerbates the existing high level of expense of running the Northern Territory government. There is no way we should provide an open-ended commitment to the Northern Territory government for them to appoint as many parliamentary secretaries as they like. It is not only unjustified but also ludicrous. It is an attempt to introduce backdoor pay increases to its backbench MPs. The Northern Territory Legislative Assembly only consists of 25 seats. I should not say 'only consists of 25 seats', because each of those seats have in fact only at a maximum 3,500 voters. It is already the most overgoverned jurisdiction in this country. When this matter was raised in the Northern Territory Legislative Assembly on 2 March this year the Chief Minister was asked, and I quote from their *Hansard*:

This Country Liberal Party government has asked their mates in Canberra to amend the Territory's Self-Government Act to provide for unlimited parliamentary secretaries. Each secretary will, of course, be entitled to a substantial pay rise. We already have 9 well paid ministers to oversee the affairs of just under 200 000 Territorians. There are far more urgent priorities in the Territory, calling for government funding, than a pay rise for politicians. Is this the Chief Minister's way of delivering a pay rise to his entire backbench?

I think it is interesting to put on the record the response from the Chief Minister, who said:

Mr Speaker, I have never, since I've been Chief Minister, written to the federal government with regard to the appointment of parliamentary secretaries. That avenue is available to me. There is

one parliamentary secretary, Mr Steve Hatton, assisting the Chief Minister on statehood.

He went on to say:

That position carries no—and I would emphasise no—remuneration and no benefits. The title that's been given to him simply is to ensure that everyone is aware that he is assisting me directly on this most important issue. So in terms of the nature of the question, I know not from where it comes.

In an article in the *Northern Territory News* on Friday, 3 March the Chief Minister again reiterated that he had not approached the federal government about this issue and he in fact knew nothing about this issue. It seems strange that on one hand a few weeks ago we were very happy to comply with the wishes of the Northern Territory government and ensure that the federal parliament did not intervene in the issue of mandatory sentencing. We stood on a platform some weeks ago of saying that the federal parliament has no jurisdiction or authorisation to meddle in the affairs of the Northern Territory and the Northern Territory parliament yet now we have before us a bill that seeks to create parliamentary secretaries which has not been asked for by the Chief Minister, which has not been at the request of the people in the Northern Territory and which does not have the support of the opposition or the government in the Northern Territory.

This is a clear sign of the hypocrisy and the contempt with which the Northern Territory is continually being dealt by this government. You cannot have on one hand an argument that we will not meddle in mandatory sentencing and the jurisdictional nature of the Northern Territory in respect of correctional services and governance of its laws in that area yet on the other hand produce a couple of weeks later a bill that seeks to create parliamentary secretaries. It may well be a different argument if we had the Chief Minister requesting you to do it and we were arguing about the rights of the Northern Territory government to create parliamentary secretaries, but the Chief Minister himself has admitted he does not want it done and he has not requested you to do it. So why have we got this bill?

Senator Ian Macdonald—You know that's not true. Be truthful.

Senator CROSSIN—Senator Macdonald, are you suggesting to us that the Chief Minister of the Territory has lied to us, has lied to the opposition, that in fact he did request you to create the position of parliamentary secretaries?

Senator Ian Macdonald—You know that the request came from a previous Chief Minister. You know the truth.

Senator CROSSIN—Are you trying to tell us it was a previous Chief Minister and Denis Burke is covering up for your now President of the Liberal Party? Is that correct?

Senator Ian Macdonald—A previous Chief Minister.

Senator CROSSIN—Well, somebody is certainly not telling the truth in respect of who requested this. From the response of the Chief Minister in the Northern Territory you can assume that there has been no communication between the Northern Territory government—although we have Senator Macdonald actually saying now it was a previous Chief Minister that requested this—and the federal government about this question. But here we have this amendment before us. Has the current Chief Minister been asked about the creation of parliamentary secretaries? Has the current Northern Territory Legislative Assembly made a decision about the creation of parliamentary secretaries in the year 2000? The answer is no. The Leader of the Opposition in the Northern Territory, Clare Martin, wrote to the Prime Minister on 6 March this year—and also, I understand, sent you, Senator Macdonald, a letter—requesting some explanation for this bill. At this stage I believe she has received a reply from neither you nor the Prime Minister. She goes on to say in her letter:

There is no justification for the creation of paid Parliamentary Secretaries in the Northern Territory.

... ..

The capacity to create paid Parliamentary Secretaries for the Northern Territory is not worthy of support. Further pay rises for Territory Politicians simply cannot be justified.

In the article I referred to on 3 March the Chief Minister said that if the Commonwealth legislation was passed parliamentary secretaries in the NT would not be awarded a pay rise. That cannot be so, because there is legislation that requires that politicians in the Northern Territory have their salaries and conditions directly linked to federal politicians, and this year we have seen your parliamentary secretaries in government for the first time receive in excess of \$22,000 a year for picking up the tag of parliamentary secretary. So that is not correct. I cannot imagine there would be one parliamentary secretary appointed in the Northern Territory who would be happy to do it for nothing, for no additional remuneration, when their colleagues at the federal level were picking up in excess of \$22,000 for the same privilege and when their wages and conditions were linked to those federal politicians. So as of today, two months down the track, we have got no response from either you or the Prime Minister, although advice was received from Mr Howard that he had acknowledged her letter. As well as not answering questions in the chamber, Senator Macdonald, it seems that you also do not respond to correspondence, particularly from leaders of the opposition in the Territory.

So where does this leave the taxpayers in the Northern Territory? We have a Chief Minister—the current Chief Minister—who claims to have no knowledge of this proposal about parliamentary secretaries being put forward in the parliament; we have a Prime Minister who acknowledged receipt of correspondence and passed it over to another minister, who has not responded to date; and we have legislation before us which proposes to give an open-ended cheque to the Northern Territory government to appoint as many parliamentary secretaries as they please. There are currently 18 government members in the Northern Territory, of whom nine are ministers, one is the Speaker and one is the whip. That leaves seven members, one of whom is a parliamentary secretary who is currently unpaid. That then leaves six members. We could have a situation where all 18 were members of the Executive Council if they so chose. Let me tell you that it would not be too long before they actually chose to

go that way. We might well have a situation where we have a Northern Territory government made up of no backbenchers if this legislation were passed.

I absolutely reject the notion that we should provide an open-ended commitment to the Northern Territory government for them to appoint as many parliamentary secretaries as they please, and that is exactly what this legislation does. It does not put a limit on the number that they can appoint. Under this proposal a new section 43A would be inserted which would allow the number of parliamentary secretaries and their respective responsibilities to be determined from time to time by the Administrator. If there is a need for these parliamentary secretaries, this is a debate that should be argued in the domain of the public in the Territory.

Senator HUTCHINS (New South Wales) (4.53 p.m.)—I rise this afternoon to join my colleagues in opposing aspects of the legislation that has been presented to us here today. One area in particular that I wish to speak about follows on from Senator Crossin's excellent contribution in relation to this report about parliamentary secretaries in the Northern Territory Legislative Assembly. To put the debate in context, in 1978—under a coalition government of course—the Northern Territory (Self-Government) Act was passed giving the Territory extended powers of self-government. In 1982, once again under a coalition federal government, the size of the membership of the Legislative Assembly was increased from 19 to 25. Currently the Northern Territory Legislative Assembly comprises 18 members from the Country Liberal Party and seven members from the Labor Party. The 25 electorates are single-member electorates and there is compulsory voting. As I understand it, the Administrator appoints ministers on the advice of the leader of the majority party. The Administrator is advised by an executive council comprising all the Territory ministers. Currently there are nine ministers in this government and an unofficial parliamentary secretary, Mr Hatton.

I want to highlight to the Senate this afternoon the current salaries that the government members, and indeed all members, of the

Territory parliament receive. Currently all 25 members of the Legislative Assembly receive \$80,000 each—that costs us \$2 million. The Chief Minister, in addition to his MP's salary, earns \$88,788; the Deputy Chief Minister earns \$62,089; the Leader of Government Business receives \$54,684; and the six ministers each receive \$45,324, which comes to \$271,944. In addition to this, as we all know as people who have been in government, there is one Speaker, who earns \$45,324, and a Government Whip, who earns, in addition to his MP's wages, \$11,331. The Northern Territory Legislative Assembly also has three committees and the three committee chairpersons each receive an additional \$15,108. The Leader of the Opposition earns \$45,324, the Deputy Leader of the Opposition earns \$22,662 and the Opposition Whip earns \$11,331. Currently several zones attract electoral allowances. Fifteen zones attract an electoral allowance of \$14,736, two zones attract \$17,018, one zone attracts \$31,922, two zones attract \$32,761, two zones attract \$33,924, two zones attract \$35,962 and one zone attracts \$37,788. That comes to a grand total of \$3,188,881 to run the Northern Territory parliament.

That may not seem all that significant to the Northern Territory government because 18 of the current 25 members of the Northern Territory Legislative Assembly are government members. Of those 18 members of the Legislative Assembly, there are nine ministers, one Speaker, one Government Whip, three committee chairmen and one unofficial parliamentary secretary, who must be out of some Gilbert and Sullivan opera, called the Minister for Statehood, even though on the occasion that the Territorians had an opportunity to vote on that matter they rejected it and rejected it soundly.

From my adding up, that means that at the moment only two members of the Northern Territory Legislative Assembly do not have jobs. I have their names here. Maybe we can express a bit of sympathy for those two people. They have obviously been left out because of some difficulty of the government. I could get their names, but maybe you will be able to assist me in your reply, Minister, by giving me their names. It does seem a bit

unfair that these two people have been left out. Maybe they do not support the Chief Minister. More likely, if as a result of the amendments that we are debating today Mr Hatton is given access to and becomes a member of the Executive Council and is thus given an opportunity to receive remuneration for it, one could only expect that these two other members of the Legislative Assembly who are currently not on the gravy train will have the opportunity to get on the gravy train.

Senator Crossin—Would Dr Lim be there? Is that his name?

Senator HUTCHINS—I think Dr Lim is one of the gentlemen. In fact, I have their names. I am so lucky. They are Dr Richard Soom Huat Lim and Ms Susan Jill Carter. It does seem unfair that we cannot at least look after them in one form or another, and I suppose they appreciate the fact that the government is seeking to introduce legislation so that Ms Carter and Dr Lim can at least get a start on the Northern Territory gravy train. They are the only two who do not get any extra money out of the Northern Territory parliament. They are the only two Country Liberal Party members who have been discriminated against. I am sure that Senator Macdonald feels that he is duty-bound to open up this gravy train for the remaining two Country Liberal Party members.

If you have a look at the ministries in the Northern Territory Legislative Assembly, you have nine ministers and one unofficial parliamentary secretary. You have the Chief Minister, who is also the Attorney-General, as we know. He is also the Minister for AustralAsia Railway, whatever that is or whatever department that is administered by. He is the Minister for Young Territorians. Do you realise that there is a ministry up in Darwin for young Territorians? So that there is no discrimination, there is another minister too. The Hon. Stephen Dunham MLA is the Minister for Senior Territorians, in case you felt that they had been discriminated against like Ms Carter and Dr Lim. The Chief Minister is also the Minister for Women's Policy as well as the Minister for Constitutional Development. He is no doubt assisted by the

Parliamentary Secretary assisting the Chief Minister on Statehood.

These people are clearly overgoverned. I went through this list of ministers. We have five ministers, in one form or another, for development. We have five ministers, in one form or another, for services. As I mentioned to you earlier, the Hon. Denis Gabriel Burke is the Minister for Constitutional Development. The Hon. Timothy Denney Baldwin is the Minister for Defence Support and Regional Development. The Hon. Daryl William Manzie is the Minister for Resource Development. The Hon. Michael James Palmer is the Minister for Transport and Infrastructure Development. The Hon. Loraine Margaret Braham is the Minister for Aboriginal Development.

Then we get to the Deputy Chief Minister. In addition to his role as Treasurer and Minister for Tourism—once again, it is the five services ministers that we are going to assist in one form or another—the Hon. Michael Reed is the Minister for Police, Fire and Emergency Services. We have the Hon. Daryl Manzie again as the Minister for Correctional Services. The Hon. Peter Francis Adamson is the Minister for Corporate and Information Services. The Hon. Stephen Dunham is the Minister for Health, Family and Children's Services and the Minister for Essential Services. I do not think I have missed anybody at this stage except the Hon. Christopher Dennis Lugg, who has the expanding education portfolio. There is a ministry of School Education, a ministry of Tertiary Education and Training and a ministry of Sport and Recreation. After all that work, I am sure that Mr Lugg does need a bit of recreation.

Let us have a look at some of the other ministries. We actually have a Minister for Arts and Museums in the Northern Territory parliament. His name is Mr Adamson. We also have the Minister for the Territory Insurance Office. In addition to the Minister for Sport and Recreation, we have a Minister for Tourism, whom you would have thought would be involved in sport and recreation. We have a Minister for Racing, Gaming and Licensing. We have a Minister for Asian Relations and Trade. We have ministries of

Primary Industry and Fisheries; Territory Ports; Communications, Science and Advanced Technology; and Ethnic Affairs. I have already mentioned that we have a great institution in the Northern Territory parliament run by the Country Liberal Party where you have one Minister for Young Territorians and another Minister for Senior Territorians. What a ridiculous position for public administration and policy in Australia to have so many politicians and so many people looking desperately for titles that we have to come in here today to create yet another opportunity for, it would appear to me, at least two people who have missed out on the gravy train.

In the Northern Territory, there is something like one parliamentary representative for every 3,200 voters. The Territory has just over 200,000 people. The salary for these representatives is just over \$3 million. There is an opportunity being presented today for good loyal Country Liberal Party members who do not have anything to do up in the Northern Territory. At the moment in the federal parliament, parliamentary secretaries like Ian Campbell—maybe Senator Campbell receives a bit more—get an extra \$21,375 per annum. Ministers in the outer ministry at the moment receive an extra \$49,163 per annum. I roughly equate the parliamentary secretary extra salary to be 40 per cent of the outer minister extra salary. So, if a minister in the Northern Territory government is on an extra \$45,324, 40 per cent of that would be roughly \$20,000. That is what we may be called upon to pay. If we support the government's resolution, we will possibly be called upon to fork over about \$20,000 for Mr Hatton as the unofficial parliamentary secretary for statehood. Then we have Dr Lim, who does not have anything to do, so he must be entitled to at least an extra \$20,000. Then we have Ms Carter; she must be entitled to an extra \$20,000 as well. That would give every member of the Country Liberal Party in the Northern Territory Legislative Assembly a job. It is discriminatory at the moment when only three of them are missing out. I am sure the government is motivated by that here.

I really object to the fact that the Northern Territory clearly want it both ways. They

want authority to make binding laws free from Commonwealth intervention in relation to mandatory sentencing, yet they expect us to financially support them. At the moment, the Northern Territory government receive \$1.4 billion in assistance from the federal government each year, and part of that assistance is paying the wages and salaries for the Territorian parliament. I come from an area in Greater Western Sydney which has about as many people in it as the Territory. I am not attacking the Territory people in this. This is a grubby attempt by their politicians to look after themselves. Where I live, out in the city of Penrith, we have a council elected each year which costs the ratepayers of Penrith \$220,000 a year. That is \$220,000 as opposed to \$3.2 million a year that is probably going to be paid on behalf of the Australian taxpayers to look after the government's mates up in the Territory. That equals about seven per cent of the Territory's running costs. So we have a council for an equivalent sized population receiving \$220,000 a year to run their elected representatives, and we have representatives for the same sized population costing nearly \$3.2 million a year in the Northern Territory.

I am shocked by the way the government has handled this in the House of Representatives. It has not sought to answer any of the charges that have been made by our shadow ministers or members querying it on this. I do not know what more we can do today except encourage the Democrats to join with us and reject this. There are three members of the Country Liberal Party in the Northern Territory parliament that are not getting any extra money, and this is what the government wants to do with this amendment—give them an opportunity to get that \$20,000.

Senator LUDWIG (Queensland) (5.11 p.m.)—I rise to speak on the [Transport and Territories Legislation Amendment Bill 1999](#), particularly on schedules 2, 3 and 5. Having heard the contribution by Senator Hutchins this afternoon, I am as surprised as he is and also shocked and dismayed at the extraordinary amount of money that seems to be heading to the Northern Territory not only in respect of the issue currently before us but also generally for them to maintain their un-

principled approach to mandatory sentencing. As I recall, in the speech that was just provided to the chamber the amount was in the order of \$1.4 billion. I will say that again, in case you did not hear: \$1.4 billion is going to the Northern Territory to support a self-government regime. I call it a 'self-government regime' because it does not really want self-government. It says, 'No, we don't want self-government.' Why wouldn't it not want self-government while this government gives it \$1.4 billion to maintain something in the order of one politician per 3,200 voters? Why wouldn't it want to maintain that situation? Why wouldn't it want to continue to have employment generation through politicians? Senator Hutchins talked about, in particular, the Minister for Young Territorians and the Minister for Senior Territorians. He left out whether there was a minister for the baby boomers. Perhaps Senator Macdonald can provide an update as to whether there is a minister for baby boomers in the Northern Territory.

Senator Crossin—Don't give them any ideas!

Senator LUDWIG—I take that suggestion. That may very well be one of the duties that the parliamentary secretary is given. They may need a minister for baby boomers, given there is the Minister for Young Territorians and the Minister for Senior Territorians. The Northern Territory might be able to take something from that, but I think in truth they would reject it as being outright silly and nonsensical. I will look at what has been said about these very issues in the House of Representatives. Mr Cameron Thompson, the member for Blair, when speaking to the [Transport and Territories Legislation Amendment Bill 1999](#), said:

I have quite a bit to say in my short contribution ...

He went on to say:

We keep on setting up situations in Canberra where, I think, we shield the Northern Territory from the impact of its own decisions.

Let us dissect that quote before I continue. What he is saying, I think, is that we are going to shield the Northern Territory from the impact of its own decisions. So we are going to cushion it. What are we going to do?

Continue to give the Northern Territory \$1.4 billion so that it can do with it what it likes and then say that it needs shielding from its own decisions? Mr Cameron Thompson seems to be saying that the Northern Territory legislative processes simply are inadequate, and they are inadequate. When you look at mandatory sentencing, when you look at the parliamentary secretaries debate currently before us and when you look at other decisions that government has made, it does need shielding from its own decisions—a big plastic shield with the words ‘give us more money’ on it. That is the shield Mr Cameron Thompson is talking about.

But it is not good enough when you look at the \$1.4 billion and ask: how is it going to be meaningfully spent? Is it going to be spent on ensuring that regional and remote area issues are addressed in the Northern Territory and that assistance to Aboriginal communities is addressed? I see Senator Herron, the Minister for Aboriginal and Torres Strait Islander Affairs, is the minister at the table. Perhaps he can explain why the \$1.4 billion is not going to the Aboriginal communities in the Northern Territory, why mandatory sentencing is not being addressed in a serious manner and why we will not pass legislation in this house to deal with mandatory sentencing. The Northern Territory government say, ‘We can do what we like because we have a shield’—the shield provided and named by Mr Cameron Thompson, who goes on to state:

If you want to have a government in a remote place like the Northern Territory it should be allowed to govern. There is a great tradition up there, just as there is in my home state of Queensland, of Canberra-bashing.

There is not a tradition of Canberra-bashing from this side. Perhaps Mr Cameron Thompson and his colleagues are used to Canberra-bashing. We are concerned with looking at the policies that this government puts out, dissecting them, being critical of them and addressing the concerns of Labor people. We do not want to Canberra-bash, as Mr Cameron Thompson seems to want to do. He then says that it is not a bad idea to Canberra-bash. In fact, he thinks Canberra-

bashing is such a great tradition that not only the Northern Territory should be allowed to do it but also his own state of Queensland should be able to do it. I think Queenslanders would find it insulting, to say the least, to find Mr Thompson referring to them in that way when he mentioned not only that the Northern Territory is a remote territory that needs his protection and that has a tradition of Canberra-bashing but also that Queensland should adopt the tradition as well.

But Mr Thompson does not stop there. The interesting part of the speech that he gave in the lower house on this legislation was this statement:

Whenever the evil bureaucrats in Canberra set out to interfere in activities of the Northern Territory, it provides, I think, a cushion for democracy in that state, and I do not think it is appropriate for us to continue to do that. We have put training wheels on that government up there and I think it is time those training wheels were taken off.

What a curious thing to say about the Northern Territory government: that their training wheels should be removed. I think perhaps they should not be. They themselves voted against self-government; they themselves appear to want to keep their training wheels on; they themselves seem to want to continue to spend the \$1.4 billion in the way that they deem appropriate; and they also seem to not want to enter proper, informed debate about issues such as mandatory sentencing. They seem quite clear that they want to maintain a level of bureaucracy that is unsustainable and, in fact, add to it. This very legislation before this house sets up a parliamentary secretary position—or positions as the case may be—so they can then fulfil what I guess is their dream of ensuring that there are no backbenchers and that there is no person without a particular title. It appears that we have found a new coined phrase in relation to the Northern Territory government. It seems that a ‘political title patronage system’ has been invented up there where political titles can be handed out by the government to ensure that everybody gets one. I wait with bated breath to see whether the baby boomer minister or parliamentary secretary is similarly created.

Not to leave the area there, we find that Mr Brough, the member for Longman, also provided us with some snapshots about industrial relations in relation to the [Transport and Territories Legislation Amendment Bill 1999](#). Unfortunately, when Mr Brough spoke about the changes on Christmas Island and the Cocos Islands from the workplace relations perspective, he stated:

Western Australian based employers and their employees should have the same choices between federal and state workplace relations coverage as they do on the mainland.

Do they have a choice on the mainland, and what is that choice? The Workplace Relations Act 1996 that this government introduced was not, in my view, the pinnacle of a legislative scheme of workplace relations that people would be proud of. It is not a scheme that you would bandy about as being a true government initiative that has bells and whistles on it, that you could be proud of and that you could speak about.

But not to be content there, what this government then set about doing was to say, 'It is not bad enough. We need to introduce a second wave.' We are fortunate that the second wave collapsed on the sand in this house and did not proceed. We are fortunate that the second wave was found to be deficient, was found not to provide the protection that employees require in the workplace. We also found that the choices contained in the Workplace Relations Act were not as broad and not as well-meaning as some people might think. What we find here is that, similar to the Workplace Relations Act and the way the second wave turned up, the people on Christmas Island were not consulted. Mr Brough says that the Union of Christmas Island Workers was not consulted. He seems to agree to it. He seems to think that it seems to be one of those things that are simply able to be done. His reasoning behind that is as follows:

The amendments will not affect the workers of the Christmas Island union; the amendments will affect only those people in the territories who are Western Australian based employers and their employees.

It is a brave statement to make. However, does that mean that, because there is a nar-

row import, it should only require consultation on that narrow frame? I think Mr Brough is misguided. I think the level of consultation in that area should be far broader; it should stretch across the issue that needs to be dealt with. Both the union and other people interested in the workplace on Cocos and Christmas islands should be informed about the change. Also, the public servants and those for whom there might be a subsidiary effect should be informed. There might be families where family members are employed in both that area and the Public Service, and their concerns need to be met and they need to understand what is actually going on. It is not enough to simply say, 'We won't need to consult because we don't think it will actually have any impact upon them.' It is simply not good enough for a government to say that, and it is certainly not for Mr Brough to say that.

What Mr Brough then went on to say about the parliamentary secretaries is interesting and curious. He stated:

There is no provision for any additional money for parliamentary secretaries. That is a mechanism, as I said earlier, for the self-governing territory, a decision for them, not for Canberra. It is up to the Northern Territory government and the Northern Territory remuneration tribunal. It is simply misrepresentation by those opposite, mischief making of the facts, to represent it in the way that they have—

I think Mr Brough is misrepresenting the facts there. Is he seriously suggesting that if this amendment is passed—and Senator Hutchins has asked that the Democrats join with the opposition in opposing and defeating it—the parliamentary secretary will not have remuneration? If that is the case, if he is seriously suggesting that, then we should see an amendment from this government on this very point. This government should say, 'We're going to have a parliamentary secretary but that person doesn't need to have remuneration. It will continue on.' If that is the point he is making, why doesn't he make that amendment? Why doesn't this government pick it up and make that amendment? If that is the position that the government want to adopt—if he says that we are misrepresenting the position by saying that no money will

apply—that is the position that should be put.

What we are saying is that, as night follows day, if you have a parliamentary secretary, the Remuneration Tribunal will be required to provide remuneration. If I am misinformed about that and if Mr Brough is correct, perhaps during the committee stage of this bill or at the end of my speech this afternoon the relevant minister, Senator Ian Macdonald, might provide an explanation as to how the parliamentary secretary is not going to be remunerated according to Mr Brough.

Perhaps it is worth dwelling on Mr Brough's speech in the House of Representatives, because he then went on to mandatory sentencing. He managed to weave that into his speech in the second reading debate. I have also done that, mainly because I think it highlights the inadequacy of the Northern Territory government and it highlights the inadequacy of this government to take the initiative and address the findings of the Senate Legal and Constitutional References Committee on the [Human Rights \(Mandatory Sentencing of Juvenile Offenders\) Bill 1999](#). That committee provided a clear direction for this government to progress human rights in the Northern Territory and to ensure that there was consistency across all states and that the excesses the committee saw in the Northern Territory were addressed.

What I will say in respect of that very fine issue is that the bill that we had to address went to a very narrow import; it went to an issue that some might argue was not the underlying cause of the problems that existed in the Northern Territory. However, having been to the Northern Territory during that inquiry and having had the opportunity to speak to many of the people who made submissions and to the community groups that had an interest in mandatory sentencing, what became obvious was that there are underlying structural problems that the Northern Territory government is not addressing. There is a lack of initiative, a lack of courage, a lack of fortitude, and a lack of will to address those underlying problems.

The people thought, as I understood it, that mandatory sentencing was but one of those underlying problems and that, if you

could start to move the Northern Territory government on these issues which went to structural or legislative difficulties, they would understand that they could not hide behind simple, old-fashioned legislative means to deal with crime or to deal with population problems in the Northern Territory but would have to look at the underlying structural problems and start to address those in a meaningful way. That is what those people were going to, and that is one of the issues that I think has been lost in much of the debate on this—that is, the bill itself would not fix the problems but it would send a clear message to the Northern Territory government that they needed to make changes, that they needed to catch up to the rest of Australia and that they needed to address not only the concerns of the legislation offending international covenants but also how the legislation was really out of step with the rest of Australia.

I also wanted to speak about the amendment in schedule 5A—amendments relating to the sale of the Australian National Railways Commission—far more cogently. We have also recently been provided with a report of the Inquiry into Progress in Rail Reform. Queensland is crying out for the federal government to deal with rail reform in a logical and strategic way. The report itself provides an overview to give some understanding of where we are going. At 2.1, Rail transport in Australia, it states:

In Australia, rail transport represents around 0.5 per cent of gross domestic product and 8 per cent of total transport value added... In 1998, there were at least 36 500 full-time workers employed by the railways.

There are some 43100 km of broad (1600 mm), standard (1435 mm), narrow (1067mm) and dual gauge track in Australia. Most of Australia's railway network is centred on capital cities or ports, extending to rural areas and mining regions.

In Queensland there are initiatives, and I had the opportunity of speaking to the Gold Coast mayor before his election. I congratulate him on his re-election and hope that he will continue to press for rail reform.

Senator West interjecting—

Senator LUDWIG—A progressive person at the Gold Coast, perhaps I should say. His major initiative in terms of rail reform is a light rail track around the Gold Coast. (*Time expired*)

Senator COONEY (Victoria) (5.31 p.m.)—We are dealing with what is, in effect, an omnibus bill. We used to have a lot of omnibus bills in this place a while back, but the decision was made not to persist with them because it was said that an amendment might be put through without proper consideration being given to it. The [Transport and Territories Legislation Amendment Bill 1999](#) is a bill of comparatively few pages and, having heard the debate that has taken place so far, I do not think it could be said that the matters being put through this omnibus bill should have been given more consideration.

I simply raise that because I think it is an interesting point. When I first came here, there were quite thick omnibus bills whereby all sorts of acts were amended and, within those omnibus bills, you would get an amendment to an act that was not appropriately put through with the sort of debate that took place. In other words, the debate was not long enough. Madam Acting Deputy President Knowles, you would remember that because, like myself, you have been here for some time. May I say, you have worn the journey better than I have. In the event that this is a trend for omnibus bills, I sound that warning but, as I say, it does not seem to be of a size that would occasion that alarm.

Some issues have been raised so far, and I perhaps should reiterate some of them. It does appear that the issue of parliamentary secretaries in the Northern Territory ought to be commented upon. It has been already commented on, and an analysis has been made of the number of people who have executive positions in the Northern Territory government compared to the number of Northern Territory government party members. Out of 18 members, nine are ministers, one is a whip, one is the Speaker and one is a parliamentary secretary. The real problem is that the concentration of the people in the governing party in the Northern Territory should simply be on governing. But that party really has become a party of adminis-

trators. There is not that devotion to legislation that there ought to be.

In this chamber, for example, there are a number of people who are in the executive and a number of people who are parliamentary secretaries, but there is also a very significant number of people who are there to legislate. That is what parliaments are about, after all, and the parliament of the Northern Territory should be a parliament not only in name but also in reality. But it is hard to see how that can be the situation, given the number of people who have executive work to do. I would have thought that, instead of encouraging more appointments to the executive, such as this bill does in making provision for parliamentary secretaries in the Northern Territory, more attention should be given to legislation, more attention should be given to those principles that should guide any legislation. One of the results of this shortcoming of the parliament of the Northern Territory—that is, that it does not have enough parliamentarians as such—may be that you do not get the principles brought forward that you ought to. Maybe that is really behind the problem of mandatory sentencing in the Northern Territory, which has been commented on here today and in the past.

It occurs to me when I look at this legislation that is now before the parliament and the emphasis that is given to the executive function of the people who are elected that those principles that should be emphasised in debate fall by the roadside because what is happening is that the whole thing is dominated very much by the executive. I am not saying for one minute that the executive is not a very powerful force in this parliament; it is. But when you have nine ministers, as previous speakers have said, and one parliamentary secretary already, then 10 out of 18, more than half the members of the governing party in the Northern Territory, are administrators in the sense of being members of the executive. That is a very bad balance to have when you are talking about issues such as mandatory sentencing. Mandatory sentencing is all about conscience, all about doing the right thing, all about looking at people as they really are with all their faults and also

all their goodness. Those sorts of things are not considered in debating a bill such as the bill that brought in mandatory sentencing in the Northern Territory, and what happens instead is that the administrators sit down around a table and say, 'Yes, we have this problem. Bang—let's just do this.'

I think this bill, insofar as it encourages the appointment of parliamentary secretaries and rewards people for becoming a parliamentary secretary, sets a bad trend, particularly in a parliament of this size. If you look at the wage structure for parliamentarians, you will see that it starts with paying people because they are legislators and then the other functions they perform attract remuneration after that. But, if we pass this bill, we are simply sending people to the Northern Territory parliament as supplies to the reservoir of people who then go on to become ministers or parliamentary secretaries. As Senator Hutchins has said, there are only two people there who are not rewarded with extra money—only two people who are there as legislators purely and simply. I think there were some chairs of committees, but I am not sure what particular function they perform. Perhaps it is the same as people do here. Perhaps it might be better to count them as legislators as well, but that then brings the number to five out of 18. That is the issue regarding the Northern Territory.

Then we have issues about the Cocos Islands, Christmas Island and indeed the Northern Territory to do with what laws are to apply to people who go from Western Australia to work on Christmas Island and on the Cocos Islands. Senator Crossin spoke eloquently about this. She pointed out that there were agreements in place that provided for people from Western Australia who go to the islands to work. The situation was that they were to be covered by the Western Australian Industrial Relations Act. But now it seems that legislation is going to be brought in specifically to cover all this. That is set out in schedule 3 of the bill insofar as it applies to the Cocos (Keeling) Islands, and schedule 2 applies to Christmas Island. Those schedules set out a new regime for what happens on those islands in terms of the Workplace Relations Act, and that has been

dealt with by Senator Crossin, Senator Hutchins and Senator Ludwig.

If you look at the Christmas Island Act and the Cocos (Keeling) Islands Act, you will see that amendments were made in 1992 which made the law of Western Australia largely applicable on the islands. As I remember it, the rules of evidence and procedures that applied in the Western Australian courts would apply in a court operated on the islands. I think it should be recognised that there is a lot of cross-fertilisation between Western Australia and the islands, even though in the federal elections the islands vote in the Northern Territory jurisdiction. I know the member for the Northern Territory, Mr Warren Snowdon, goes and does work on those islands, as no doubt do the senators from the Northern Territory.

The reality is that those islands are subject, in the end, to the laws of the Commonwealth—the laws that we make here. The laws that operate on the islands, insofar as they apply to workplace relations and to the Workplace Relations Act, are satisfactory at the moment, and the change is precipitant as there has not been enough discussion, as I understand it, with the ACTU and other unions. As a result, the opposition is opposed to the way this matter is being dealt with, and properly so, because the working conditions on the island—as with working conditions everywhere—are fundamental matters for parliament to deal with, so that people are able to work in decent surroundings, with decent conditions and with proper wages.

As some amendments have been suggested to the bill by the Democrats, this matter will go into committee and perhaps we can develop these issues further then. The opposition opposes these matters, as set out by Senator Mackay, and again that will provide further opportunities for having some words about this.

Senator Greig from the Australian Democrats turned to the issue of mandatory sentencing again. No doubt that will be an ongoing matter for this parliament to deal with, and to think about, in terms of various human rights conventions and, ultimately, in terms of the decency of the situation. It is just wrong to lock young children up in a

capricious fashion, and what I mean by 'capricious fashion' is in a fashion that is not guided by principles and is not guided by the consideration of the particular situation. In any event, this bill has raised some fundamental issues, and I am looking forward to further discussion of them during the committee stage. I think I will give Senator West just time enough to deliver her eloquent address.

Senator WEST (New South Wales) (5.47 p.m.)—Thank you, Senator Cooney; I thought you were going to speak for your full time. In beginning this debate and discussion, I think it is very important to realise that the **Transport and Territories Legislation Amendment Bill 1999** was introduced into the House of Representatives, as I understand it, on 9 December 1999. It is now 9 May 2000, and today, according to the amendment sheet, this government comes up with another 11 amendments on something that is not even in the original bill—it is just as well this is an omnibus bill. But one has to wonder where the government and Minister Anderson have been for the last six months. These would appear not to be relatively new issues that the government did not know about; it does not strike me that they were new issues. Some of them, of course, are simply to correct technical drafting errors—there are several of those. But one has to assume and draw a conclusion that we are looking here at sloppy government.

I know that the correction of simple errors does take place, but one really does have to wonder. This relates to the Australian National Railways Commission and the winding up and the sale of it, the preserving of authority for the issuing of essential land identification certificates and making amendments so that the South Australian Registrar-General will be able to register the title accurately and appropriately. Really and truly, some of your basic criteria, basic pieces of knowledge, I would have thought, would have been the knowledge that registrars-general of land titles require fairly detailed and specific identification of the pieces of land which they are going to be involved in registering. Whenever you go and do something with your house—sell it, buy it or

whatever—there is always a need to have it surveyed. But we are having to move this as it is expected to take some years to complete the surveying and documentation processes necessary for the issue of the certificates.

If I have this incorrect, I would be happy for the minister to correct me and explain why it will take this time, because we are told that it is essential for section 67AZJ to remain in effect. This is important. For six months the government has had this legislation in the parliament and at the eleventh hour—at the 59th second, of the 59th minute, of the 23rd hour of the day—this government discovers it has to move some amendments. Really and truly, the sloppiness never fails to amaze me. When we are ready to discuss this bill, we suddenly discover we have 11 new amendments from the government. That is not good administration of this country when the government has to do that. It is important, I think, that governments know when they are going to sell assets—and this government has had plenty of experience in selling. One would have thought that it would have known that it was going to be essential to have all the land title changes under control but, no, apparently not.

One of the amendments also plays around with the definitions of 'WA Act' in section 8P of schedule 2. It would appear that the government are a bit confused as to what the WA act is and the definition of a WA employee in relation to South Australia as well. Amendment (4) is also very interesting where it says:

This will ensure WA employees covered by enterprise bargaining agreements are included in the amended definition of **WA employee**.

One might almost get the impression that perhaps the government have given up on trying to force people into AWAs and that they are recognising that enterprise bargaining is still the way many people are going.

That is enough of these new amendments to this legislation that the government have introduced. Let us look at some of the other aspects of the legislation. They are looking at fulfilling our obligations under the 1991 Madrid Protocol on Environmental Protection to the Antarctic Treaty. This is vitally important. It is an amendment that is not at all

controversial and one we support. The environmental protection of that particular piece of territory is important because it is a fragile area; it is as close as you are going to get to pristine. The research and the work that the Australian Antarctic Division are doing down there is highly commendable. A couple of weeks ago, the National Capital and External Territories Committee did an inspection and briefing from the Antarctic Division in Hobart and were able to see the very vital and valuable work that is being conducted down there on our behalf. So we have no problems with that particular amendment.

There are a couple of other aspects of the legislation that really are appalling. One relates to extending the number of parliamentary secretaries in the Northern Territory. It strikes me that it has got to the stage in the Northern Territory that if you are a member of the Country Liberal Party and you have your backside on a seat in parliament you are going to get a job, no matter what. I do not think there are too many who do not have a job, and this is probably going to extend the jobs to everybody on the government side. I guess that is one way of shutting up those who might be a bit dissident—you keep them all with a bit of the nose into the pork barrel. That keeps them happy and secures your tenure. We certainly know what people in the Northern Territory would think about that and we have grave concerns about it.

The amendment I want to deal with relates to some changes the government are endeavouring to make to the Cocos and Christmas islands employment and workplace relations arrangements. A number of years ago, starting in 1992, a review into the legislative arrangements on the islands was conducted. It concluded that Western Australian law should be extended to the islands, providing them with a living body of law. But the Commonwealth retained power over industrial relations issues, as well as maintaining the power to expressly apply any other piece of Commonwealth legislation.

Under the Commonwealth industrial relations act, there is an interstate-ness requirement which is needed to activate the relevant provisions. This was removed in relation to the islands. Under the new legal regime,

there was also provision for the Commonwealth to enter into service delivery arrangements with the Western Australian government to ensure the effective application and administration of the Western Australian laws in force in the territories. Agreements have since been reached with most WA state government agencies with a number of SDAs in existence.

When the new regime was introduced, the Western Australian government was concerned with the operation of Commonwealth industrial relations law on the islands, as many WA public sector employees would be working on the islands under the SDAs. They were also concerned that a dispute arising on the islands might spread back to Western Australia, fulfilling the interstate-ness requirement and bringing the Commonwealth industrial relations act into operation in relation to WA. When we had a good Labor government in the Commonwealth, that was probably a good thing—not now.

To avoid this, the Western Australian government sought to have WA public sector employees working on the islands exempted from the operation of the Commonwealth industrial relations law operating there. Responding to this, the ACTU, the Trades and Labour Council on the island and the WA government undertook quite a deal of negotiation and consultation. The WA government was not satisfied with all of that and entered into formal negotiations with the federal government and the ACTU. In 1994 an agreement was completed that the Christmas and Cocos islands acts would be amended to disapply their industrial relations provisions in relation to WA public servants. The implementation of this did not occur before the 1996 federal election, and in 1996 was delayed by the introduction of the Workplace Relations Act 1996. We have heard nothing from this government since then. Now we have this bill before us which attempts to bring the majority of workers on Christmas and Cocos under the Western Australian industrial relations scheme. This is without consultation with anybody—no consultation at all. It is interesting to note that when people live in a democracy they

expect to be able to elect the people who are going to represent them. In this case, people are not going to be able to do that. If their industrial relations is under Western Australia law, there is no way that the people of Christmas and Cocos islands will get any democratic say on that issue, because their representatives come from the Northern Territory. To me, this seems to be a very great anathema and problem for the people of Christmas and Cocos islands.

I am aware, Madam Acting Deputy President, that we have a couple of issues to finish before 6 o'clock and I seek leave to continue my remarks at a later date.

Leave granted; debate adjourned.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Knowles)—The President has received a letter from a party leader seeking variations to the membership of certain committees.

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

That senators be discharged from and appointed to committees as follows:

Foreign Affairs, Defence and Trade Legislation Committee—

Appointed: Senator Sandy Macdonald

Discharged: Senator Lightfoot

Foreign Affairs, Defence and Trade References Committee—

Appointed: Senator Sandy Macdonald

Foreign Affairs, Defence and Trade—Joint Standing Committee—

Appointed: Senator Sandy Macdonald.

Sitting suspended from 6.00 p.m. to 7.30 p.m.

BUDGET 2000-01

Statement and Documents

Senator KEMP (Victoria—Assistant Treasurer) (7.30 p.m.)—I table the following documents:

Budget papers:

No. 1—Budget Strategy and Outlook 2000-01.

No. 2—Budget Measures 2000-01.

No. 3—Federal Financial Relations 2000-01.

No. 4—Agency Resourcing 2000-01.

Ministerial statements:

Australia's Overseas Aid Program 2000-01—Statement by the Minister for Foreign Affairs (Mr Downer), dated 9 May 2000

The Future Together: Indigenous-specific Measures in the 2000-01 Budget—Statement by the Minister for Aboriginal and Torres Strait Islander Affairs (Senator Herron), dated 9 May 2000

Regional Australia: Making a Difference—Statement by the Minister for Transport and Regional Services (Mr Anderson) and the Minister for Regional Services, Territories and Local Government (Senator Ian Macdonald), dated 9 May 2000

Investing in our Natural and Cultural Heritage: The Commonwealth's Environment Expenditure 2000-01—Statement by the Minister for the Environment and Heritage (Senator Hill), dated 9 May 2000

Strengthening Our Commitment to Women—Statement by Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women (Senator Newman), dated 9 May 2000

Agriculture—Advancing Australia—Statement by the Minister for Agriculture, Fisheries and Forestry (Mr Truss), dated 9 May 2000.

I seek leave to make a statement relating to the 200-01 budget.

Leave granted.

Senator KEMP—Tonight the Treasurer is delivering in another place the Budget Speech for 2000-01.

As we enter the new century, Australia's economic prospects are strong.

We have done some hard yards and they are now starting to show results.

We have weathered the Asian financial crisis. Our economy has grown—above 4 per cent for 11 quarters—with strong and consistent growth in a way we have not seen for the last three decades.

Today there are 650,000 more Australians in jobs than there were four years ago. Unemployment has fallen below 7 per cent—the lowest level in 10 years—and this year it will fall further. By June next year, unemployment is forecast to fall to 6¼ per cent.

The Budget the Treasurer is presenting tonight is in surplus for the fourth year in a row, a cash surplus of \$2.8 billion. This

means the Government is acting responsibly. It is not spending money it doesn't have. It is not running up debts that would weigh down future generations. In fact it is not running up debts at all. In net terms this Government has not borrowed a dollar since it was elected.

When the Coalition Government was first elected four years ago in 1996 it was given a job to do—the job of fixing the financial mess caused by Labor's splurge which ran us \$80 billion into debt over five years. We set out three goals—to get the budget in surplus, to halve the ratio of debt to the economy, and to do this without increasing taxes.

We have met all these goals. And by June next year, the end of this Budget period, we will have paid back \$50 billion of Labor's \$80 billion debt. We will have more than halved it. This has secured a better financial future for the Nation.

When the Government came to office, nearly \$9 billion of taxpayers' money was needed to pay the interest bills on Labor's debt. Today net interest bills are around \$6 billion—a saving to taxpayers of \$3 billion year after year. Back in 1995-96, the Commonwealth spent about the same on interest payments as it did on schools and hospitals. It spent nearly as much on interest payments as it did on defence.

But today we have different priorities. Paying off the debt and reducing our interest bills means that today we can spend on more important things. Spending on hospitals and schools has grown by \$3.7 billion while interest payments have fallen by \$3 billion. Today defence spending doubles the Government spending on its interest bills.

It has always been Government policy to fix the financial mess so we can spend taxpayers' money on more important things, on higher priorities. This Budget targets our most important priorities with measures for better health care and help for families. This is a Budget which secures their future. And this Budget cuts taxes.

East Timor Levy

This time last year, we did not know that Australian troops would be required to lead a multinational force to restore order and save lives in East Timor. When the level of the

engagement and the costs became known, the Government announced a one-off 12 month levy to cover the unexpected costs and keep the budget in surplus. The levy, to apply from 1 July next, phased in at 0.5 per cent after \$50,000 of income and 1.0 per cent after \$100,000 of income.

Our forces performed magnificently. INTERFET was able to hand over smoothly to a new UN peacekeeping force. This meant a saving on the expected cost. And our economy has grown stronger than we expected back in November last year. We can now afford to maintain the Australian Defence Force role as part of the UN force and keep the Budget in surplus. Since the levy was announced as a measure to keep the Budget in surplus and the Budget will now be in surplus without it, it would not be right to proceed with the levy. Tonight I announce that there will be no East Timor levy as from 1 July. It will not be introduced.

Tax Reform

Like the last four Budgets, this Budget contains:

- no increase in company tax—in fact, company tax will be cut from 36 to 34 per cent on 1 July;
- no increase in the rates of wholesale sales tax—in fact, all wholesale sales tax will be abolished in 53 days;
- no increase in income tax—in fact, in 53 days the largest income tax cuts ever to come into force in Australia will take place.

On 1 July every taxpayer will receive an income tax cut. 80 per cent of Australians—some on top rates of 43 per cent—will pay a top rate no higher than 30 per cent. Families will have their benefits increased as part of the largest overhaul of family assistance—ever—and these changes will give families more disposable income to outweigh any price rises from Goods and Services Tax.

On 1 July pensions will be increased 4 per cent. All pensions, aged pensions, service pensions, widow pensions and all allowances will increase 4 per cent. This is an advance to cover any price effect of GST. After 1 July pensions will be indexed to keep them 2 per

cent higher than they would have been without tax reform.

On 1 July we introduce a New Tax System, one of the largest structural changes to the Australian economy—probably the largest—since World War II. It reforms income tax, indirect tax, family assistance, business tax and Commonwealth-State financial relations.

Every dollar raised by Goods and Services Tax is paid to the State and Territory Governments. It is the money that will provide the schools, the hospitals, the police, and the roads of the future. The days of State Governments relying on Financial Assistance Grants from the Commonwealth are now over. From 1 July they have a revenue base that grows in line with the economy. It will provide a secure base to fund their services. And from 1 July they must start to abolish narrow, inefficient taxes which they no longer need to rely on. First to be abolished will be bed taxes, then after 12 months stamp duties on shares and Financial Institutions Duty will be abolished on 1 July 2001.

Australia's outdated, inefficient tax system has held back our economy. It has chained our exporters who have taxes built into the price of their products when the rest of the world lets their exporters sell on world markets tax free. Our tax system has chained the manufacturing industry with a disproportionate tax burden on goods. From 1 July the New Tax System will break these shackles on our exporters and manufacturers.

The current tax system has also penalised business with high costs for transport. On 1 July diesel costs for heavy transport will fall 24 cents per litre and diesel costs for medium transport vehicles will fall by the same amount for transport outside the major urban areas.

On 21 September last year cuts in capital gains tax came into effect. Individuals are now liable to pay capital gains tax on only 50 per cent of their gain if they hold the asset for at least 12 months. When a small business owner wants to retire, from 55, he or she can sell any active business asset held for 15 years free of any capital gains tax. This is part of building a business tax system that is

efficient and competitive, that helps business get on and create jobs. By abolishing wholesale sales tax, lowering capital gains tax and lowering company tax rates we are building an internationally competitive business tax regime.

The big changes—the hard yards of reform—are not easy. If reforming the tax system were easy it would have been done some time previously in the last 70 years. But the Government has taken the view that it should do the right thing—even though it might be the hard thing—where that is necessary for our country and our people to achieve their full opportunities.

Reform is hard. Some have tried to use that to their advantage—to pretend tax reform is not needed or pretend that while the rest of the world changes Australia can just stay the same. Of course that is false. Some are cynical enough to say this even when they know it is false. And there are some who oppose reform while hoping that one day they can take the benefits of it. But you can't have the benefits if you won't do the work.

The hard work of Budget repair has given us the opportunity to bring about some benefits in priority areas—families, health and improving services in regional Australia.

Regional Health Package

There are many problems faced by those in regional areas. Not all regions, but in many regions, where prices for rural products are low, times have been hard. Sometimes people outside the cities feel left behind as the service sector and the new industries of the economy grow so strongly.

A Government which claims it has a cure-all for all the problems of the regions is not being honest. It is better to focus on particular problems and try to make a real difference—to make a big difference in a defined area—than to have ill-defined proposals across a large area—which is to promise a lot but deliver little.

In this Budget, the Government has decided to focus on a particular problem—the lack of medical services in the regions of Australia. In the metropolitan areas there is an average of 1,000 people for each GP. Out-

side the cities it is 1,500. This is an area where we want to focus and make a real difference.

Tonight the Treasurer is announcing a major new four year Regional Health Package of \$562 million. This Package will address a key concern of rural and regional communities—more doctors and better services.

The number of general practitioner (GP) services in rural and regional areas will be significantly boosted by increasing the number of training places for GPs and increasing the distribution of training places to rural areas. We will boost the number of GP registrars in rural and regional Australia by at least 75 in 2000-01 rising to at least 225 in 2002-03. Many of these registrars are likely to practice in rural and regional Australia after their training has ended.

The Regional Health Package includes a longer-term strategy to increase the number of doctors in rural communities. We will encourage students from the country to study medicine and support medical graduates who go out to practice in rural areas. To enable more students from the country to undertake medical training, the number of Rural Australian Medical Undergraduate Scholarships will be doubled.

The Government will also create 100 new University places for medical students who are prepared to enter a bond to practise in rural areas for at least six years after they have qualified. The students will be paid a scholarship of \$20,000 per annum for the period of their undergraduate training. During the bond they can only practise in rural areas. The scholarships and places will cost \$32 million over four years.

People in rural areas have difficulty accessing specialist medical services. This Budget introduces financial incentives and payment of travel costs to specialists to go out and deliver services to regional areas—a cost of \$48 million over four years—and it funds communities to employ practice nurses, psychologists, physiotherapists and podiatrists at an additional \$49 million over four years.

This Budget also provides for the establishment of nine new clinical schools and three new university departments of rural health to make sure every Australian medical faculty has a regionally based clinical training facility and every Australian medical student has the opportunity to train in rural service delivery. This will support rural health practitioners.

Madam President, Regional Health Services have proved a successful way to deliver a range of medical, community health, mental health and aged care services to smaller communities which could not support stand-alone services. The Government will build on these successful services with 85 additional services over the next four years costing \$69 million. In recognition of the important role of pharmacists in rural health infrastructure, additional assistance of around \$42 million over four years will be provided to improve access to quality pharmacy services in rural and remote Australia.

Other Regional Measures

In addition to the Rural Health Package, this Budget contains a range of measures to strengthen the economic base of rural areas and improve the access of all Australians to important services.

The Agriculture Advancing Australia (AAA) package has played a major role in improving the competitiveness and profitability of the farming sector since it was introduced by this Government in 1997. The Government will therefore continue it and enhance it over the next four years. This \$309 million program will give farmers skills training, encourage innovation, improve market access for our agricultural and food exports and enhance support to families in financial difficulty.

In recognition of the high costs of education for people living in remote parts of Australia, the Government is increasing Assistance for Isolated Children. The Basic Boarding Allowance paid to children who cannot get to a government school on a daily basis will be increased by a further 10 per cent, which builds on the 20 per cent increase to this allowance announced in last year's budget.

Improving the access and participation of students from rural and regional areas to quality education is a high priority. So the Government will modify the Youth Allowance family assets test to increase access to Youth Allowance. An income test will still apply but the assets test on farm and business assets will be relaxed. Youth Allowance has proven to be successful in encouraging young people's participation in education.

To ensure that advances in technology extend to regional areas the Government is providing regional television broadcasters with assistance to convert to digital broadcasting—starting from this year. The Regional Equalisation Plan will provide assistance in the form of annual licence fee rebates and some small taxable grants to cover the relatively high digital conversion costs of these broadcasters which have a smaller audience reach. Assistance will also be given to the ABC and SBS to televise in digital format from 1 January 2001.

Education

Madam President, our education and training system must focus on giving students skills to have the opportunity to find meaningful jobs. This Government recognises the importance of education to ensuring our nation's future and our children's future. The apprenticeship system had been left to wither until this Government revived it in 1996. This Budget provides a very heavy investment in apprenticeships providing \$2 billion over four years for the highly successful New Apprenticeships initiative.

It continues the Government's heavy investment in schooling, both government and non-government. Outlays are projected to rise by nearly a third over the next four years—one of the fastest growing areas of the Budget. This expenditure is aimed at lifting literacy and numeracy. It is aimed at improving the core elements of education. And this Government wants to make sure schools are accountable for this high level funding—that children are being given the skills they need for the future.

Stronger Families and Communities

Madam President, a stamp of this Government has been its commitment to helping families.

Before this Government came to office the Commonwealth spent the same amount paying interest bills on its debt as it spent on family assistance. In this Budget spending on families doubles the spending on interest payments.

From 1 July over 2 million families will benefit from increased family assistance—\$2.4 billion a year. A single income family on \$40,000 with two children, one under five years of age, will receive tax cuts and increased family payments equal to \$50.63 per week from 1 July.

From 1 July twelve different types of family assistance will be simplified into three. The assets test on family assistance will be abolished. The income threshold for family payments will be eased and as a family's earnings increase less of their family assistance will be clawed back. Most importantly the level of family assistance will increase.

Families need help—and investing in families is the best way of helping children. That is why the Government has the Stronger Families and Communities Strategy. This Strategy substantially funds initiatives to support parents and try to prevent family breakdown. The Strategy will seek to reduce the incidence of serious social problems such as family violence, and child learning problems, by prevention and early intervention where there are problems.

A major component of the Stronger Families and Communities Strategy is an additional \$65 million over four years to assist families fulfil both work and family responsibilities through increased flexibility and choice of childcare. Subsidies will be provided for in-home care and incentives will be increased to establish childcare centres in rural areas. Families who will particularly benefit from this proposal include families working outside standard business hours; families who have a sick child; and families who live in rural and regional Australia.

The Budget also includes a package of Child Support measures. These include measures to encourage child support payers to maintain contact with their children after separation and to improve relationships after family breakdown. The measures also assist child support payers in the task of supporting the children of their subsequent families.

A Fair and Effective Welfare System

Madam President, the Government is committed to maintaining a fair and effective social welfare system. The Government wants to make sure there is help for those who need it but also to make sure our welfare system does not become a trap preventing self-reliance and self-improvement. The Government has set up an independent review of the welfare system and a final report will be released later this year to provide principles for the future reform of the welfare system.

This process will build on the Government's considerable record in this area with the work-for-the-dole initiatives and the concept of mutual obligation—the obligation of the community to the individual and the obligation of the individual, in return, to the community.

Since coming to office, this Government has worked to improve compliance, cut down on fraud and put in place eligibility criteria to ensure social welfare only goes to the truly disadvantaged. In total we now save \$750 million per year of taxpayers' dollars through these efforts.

This Budget introduces further measures to ensure that assistance is provided only to those genuinely entitled to it. In particular, we are introducing Preparing for Work Agreements to ensure those claiming unemployment payments understand their responsibilities and comply with eligibility criteria. This is expected to deliver savings of \$212 million over four years. The agreement will deliver a strong 'up-front' message to all job seekers that they must meet their obligation to actively search for work and participate in a range of additional activities in return for receiving unemployment payments. One-to-one assistance with the same designated Centrelink officer will encourage the eco-

nomie participation of the unemployed people involved.

The Government will also introduce measures to ensure those who hold their assets in private trusts and private companies are treated comparably to those who hold them directly. There will not be the advantage, as there is now, to have assets in trusts and companies so they are not fully taken into account for social security purposes. This is expected to deliver savings of around \$300 million over the next four years by reducing benefits to those with access to substantial assets.

Border Integrity

The rapid increase in the number of unauthorised immigrants arriving in Australia has placed considerable pressures on the Budget. The Government announced a major package last year to detect, deter and prevent the entry of illegal immigrants into Australia, including increased coastal surveillance. In this Budget, an additional \$49 million over four years is allocated to further measures to control these arrivals.

The growth of organised people smuggling underpins the recent increases in unauthorised boat arrivals. We will tackle this problem by a coordinated effort across government agencies to identify and combat people smuggling at its source. We are also introducing initiatives for transit countries to protect displaced persons until repatriation or resettlement in third countries becomes possible. Mutual obligation and other welfare requirements are also being expanded to temporary protection visa holders.

In addition, a long-term strategy focusing on future detention requirements for unauthorised arrivals and visa over-stayers is being introduced. The Government will build a new detention facility at Darwin to ensure appropriate detention capacity will be available in the future.

Defending Australia

The Government places a high priority on maintaining a modern and capable defence force. We have maintained defence funding in real terms since coming to office and have achieved a shift in defence resources towards combat capability and readiness.

The Government is in the process of a major review of Australia's defence requirements and will release a Defence White Paper later in the year. In this Budget, however, a one-off increase of \$100 million in 2000-01 has been provided to address immediate priorities in defence force reserves and improve information management systems and logistics.

This Budget also contains \$128 million additional funding in 2000-01 for the enhancement of two Collins Class submarines. The upgrade will result in two operational Collins Class submarines when the final Oberon Class retires in 2001. The Government will make a decision about the level of capability of all six Collins submarines in the context of its Defence White Paper deliberations.

Veterans

Madam President, it is time the nation gave our Vietnam Veterans the recognition they deserve. This Budget carries through the Coalition's commitment to Vietnam veterans, with a \$32 million package of measures to support them and their families through the illnesses to which they are especially susceptible.

And the care of veterans in their own homes under the Home and Community Care Programme will be transferred to the Department of Veterans' Affairs. This will give them special care. It will also free up additional places in the general programme for other elderly citizens.

The Budget also grants entitlement to full repatriation benefits to around 2,600 veterans for their service during the Malayan Emergency and other South-East Asian conflicts during the period 1955 to 1975.

As we mark the Centenary of Federation, Australians will have the opportunity to remember with pride the role that our service men and women have played in shaping the nation with new funding for a commemorative program for our service men and women.

East Timor

Madam President, during the Australian-led INTERFET operations from September 1999 to early this year, around 6,500 person-

nel from the Australian Defence Force helped to restore peace to East Timor. Over 2,000 ADF personnel remain in East Timor as part of the United Nations peacekeeping effort, along with many other Australians performing important security and humanitarian tasks. We can be very proud of the outstanding efforts of these Australians.

In 1999-2000 Australia will spend approximately \$900 million as part of its commitment to East Timor. The bulk of this cost relates to the substantial deployment of the Australian Defence Forces as the lead force in the INTERFET operation. While the expected cost of Australia's deployment in 2000-01 has declined from previous estimates it is still substantial, at \$831 million (net of UN reimbursement).

This Budget extends Australia's assistance to relieve the suffering of the people of East Timor and rebuild the country. It provides \$150 million for humanitarian relief and reconstruction for East Timor over the next four years, \$100 million of this being new funding. The focus of aid in East Timor has shifted from emergency relief to long term development, to restore basic services and to improve governance.

Australia is also making an important contribution to East Timor's civil security. Last year, the Government agreed to increase its commitment to the United Nations Administration's civilian police force from our first detachment of 50 personnel to 80 personnel. This Budget has allocated around \$104 million over the next four years to continue this commitment.

Economic Outlook

Madam President, Australia is set to continue its strong economic performance in 2000-01 with solid growth, new jobs, and low ongoing inflation.

Following three years of economic growth above 4 per cent, growth is expected to remain strong at around 3¾ per cent in 2000-01.

While domestic demand is expected to grow at a more moderate pace than in recent years, net exports should make a bigger contribution to growth flowing from a strength-

ening world economy and the tourism associated with the Olympics.

This shift in growth from domestic demand to exports will reduce the current account deficit, forecast to average 4¾ per cent of GDP in 2000-01, down from 5½ per cent of GDP in the previous year.

The strong economic growth of recent years and moderate wage outcomes has reduced the unemployment rate to around its lowest levels in a decade. The unemployment rate is expected to fall further, to 6¼ per cent by the June quarter 2001. From there on we would be on the verge of the lowest unemployment rates in a quarter of a century.

Leaving aside the one-off price-impact of changes in indirect taxes, inflationary pressures are expected to remain low. 'On-going' inflation is forecast to be around 2½ per cent through the year to the June quarter 2001.

The New Tax System is expected to add around 2¾ percentage points to the CPI through the year to the June quarter 2001. Households will be more than compensated for these one-off price changes through income tax cuts and increases in payments. The changes to indirect tax arrangements are therefore not expected to have any significant impact on wage settlements or ongoing inflation.

Concluding Comments

Madam President, this Budget lays a strong economic and social foundation to secure the future for Australia.

We enter the new century with a budget in surplus and a debt reduction strategy better than any comparable country in the world.

We have strong prospects, and if the economy continues to grow at current rates historically low unemployment is within our reach.

We are about to accomplish the historic reform of Australia's failing tax system.

This Budget brings together our economic and our social goals: lower taxes, more jobs, better health care, stronger families.

I commend the Budget to the Senate. I seek leave to move a motion in relation to the Budget statement and documents.

Leave granted.

Senator KEMP—I move:

That the Senate take note of the statement and documents.

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

Particulars of Proposed Expenditure for 2000-01

Senator KEMP (Victoria—Assistant Treasurer) (8.03 p.m.)—I table the following documents:

Particulars of proposed expenditure for the service of the year ending on 30 June 2001.

Particulars of proposed expenditure for the service of the year ending on 30 June 2001.

Particulars of proposed expenditure for the service of the year ending on 30 June 2001.

Senator KEMP—by leave—I move:

That:

- (1) The particulars documents be referred to legislation committees for examination and report in accordance with the provisions of the order of the Senate of 30 November 1999 relating to estimates hearings.
- (2) Legislation committees consider the proposed expenditure in accordance with the allocation of departments to committees agreed to on 26 November 1998, as varied on 11 April 2000.

Question resolved in the affirmative.

Estimates of Proposed Expenditure for 2000-01: Parliamentary Departments

The PRESIDENT—I table the following documents:

The portfolio budget statements for 2000-01 for the—

Department of the Senate.

Department of the Parliamentary Reporting Staff.

Department of the Parliamentary Library.

Joint House Department.

Estimates of Proposed Expenditure for 2000-01: Portfolios and Executive Departments

Senator KEMP (Victoria—Assistant Treasurer) (8.05 p.m.)—I table the following documents:

Estimates of proposed expenditure for 2000-01—Portfolio budget statements—Portfolios and executive departments—

Aboriginal and Torres Strait Islander Affairs Portfolio.

Agriculture, Fisheries and Forestry Portfolio.

Attorney-General's Portfolio.

Communications, Information Technology and the Arts Portfolio.

Defence Portfolio [Department of Defence and Defence Housing Authority].

Education, Training and Youth Affairs Portfolio.

Employment, Workplace Relations and Small Business Portfolio.

Environment and Heritage Portfolio.

Family and Community Services Portfolio.

Finance and Administration Portfolio.

Foreign Affairs and Trade Portfolio.

Health and Aged Care Portfolio.

Immigration and Multicultural Affairs Portfolio.

Industry, Science and Resources Portfolio.

Prime Minister and Cabinet Portfolio.

Transport and Regional Services Portfolio.

Treasury Portfolio.

Veterans' Affairs Portfolio.

Senate adjourned at 8.06 p.m.

DOCUMENTS

Tabling

The following government documents were tabled:

Australian Radiation Protection and Nuclear Safety Agency—Quarterly reports for the periods—

1 July to 30 September 1999.

1 October to 31 December 1999.

Tasmanian Regional Forest Agreement—Commonwealth and Tasmanian Government implementation reports for 1999.

Tabling

The following documents were tabled by the Clerk:

A New Tax System (Goods and Services Tax) Act—Regulations—Statutory Rules 2000 No. 49.

Australian Bureau of Statistics Act—Proposal No. 7 of 2000.

Australian National University Act—Statutes Nos 260, 261 and 263-266.

Christmas Island Act—Ordinance No. 1 of 2000 (*Prisons Act 1981 (WA) (CI)* Amendment Ordinance 2000 (No. 1)).

Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—

Directive—Part—

105, dated 31 [2] March 2000; and 4 [9], 5 [2], 7 [7], 11 and 27 [4] April 2000.

106, dated 20 April 2000.

107, dated 27 April 2000.

Exemption No. CASA EX26/2000.

Instruments Nos CASA 95/00, CASA 114/00 and CASA 127/00.

Cocos (Keeling) Islands Act—Ordinance No. 1 of 2000 (*Prisons Act 1981 (WA) (CKI)* Amendment Ordinance 2000 (No. 1)).

Commonwealth Electoral Act and Referendum (Machinery Provisions) Act—Regulations—Statutory Rules 2000 No. 47.

Commonwealth Places (Mirror Taxes) Act—Regulations—Statutory Rules 2000 No. 66.

Corporations Act—Regulations—Statutory Rules 2000 No. 50.

Currency Act—Currency (Royal Australian Mint) Determination 2000 (No. 4).

Dairy Produce Act—Dairy Structural Adjustment Program Scheme 2000.

Defence Act—

Determination under section—

52—Determination No. 1 of 2000.

58B—Defence Determination—

2000/6, Completion bonus (Defence Determination 2000/1 – Amendment).

2000/7, Education Assistance (Defence Determination 2000/1 – Amendment).

- 2000/8, Housing and overseas assistance (Defence Determination 2000/1 – Amendment).
 Regulations—Statutory Rules 2000 No. 67.
- Export Control Act—Export Control (Orders) Regulations—Prescribed Goods (General) Amendment Order 2000 (No. 1).
- Federal Court of Australia Act—
 Regulations—Statutory Rules 2000 No. 45.
 Rules of Court—Statutory Rules 2000 Nos 53 and 54.
- Fisheries Management Act—Regulations—Statutory Rules 2000 No. 56.
- Fisheries Management Act and Fishing Levy Act—Regulations—Statutory Rules 2000 Nos 57 and 58.
- Goods and Services Tax Rulings GSTR 2000/6 (Addendum), GSTR 2000/8 and GSTR 2000/9.
- Health Insurance Act—
 Health Insurance (Professional Services Review — Sampling Methodology) Determination 2000 (No. 1).
 Regulations—Statutory Rules 2000 Nos 59-61.
- High Court of Australia Act—Regulations—Statutory Rules 2000 No. 46.
- Higher Education Funding Act—Determination under section—
 15—Determination No. T22 of 1999.
 19—Determination No. T8 of 2000.
- Home and Community Care Act—Amending agreement in relation to the provision of financial assistance by the financial assistance by the Commonwealth of Australia for Home and Community Care Program to Tasmania, dated 23 February 2000.
- Immigration (Education) Charge Act—Regulations—Statutory Rules 2000 No. 63.
- Migration Act—
 Certificates under section 502, dated 10 and 11 April 2000.
 Regulations—Statutory Rules 2000 Nos 52, 62 and 64.
- Migration Agents Registration Application Charge Act—Regulations—Statutory Rules 2000 No. 65.
- Military Superannuation and Benefits Act—Declaration—Statutory Rules 2000 No. 55.
- National Health Act—
 Declarations Nos PB 4-PB 6 of 2000.
 Determination—
 No. PB 7 of 2000.
 under Schedule 1—PIB4/2000 and PIB5/2000.
- Product Rulings PR 2000/42-PR 2000/50.
- Radiocommunications Act—Radiocommunications (Spectrum Re-allocation) Declaration 2000.
- Taxation Determinations TD 2000/17 and TD 2000/18.
- Taxation Ruling TR 2000/7.
- Therapeutic Goods Act—Regulations—Statutory Rules 2000 No. 48.
- Trans-Tasman Mutual Recognition Act—Regulations—Statutory Rules 2000 No. 51.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Aged Care Reforms: Report (Question No. 1664)

Senator Allison asked the Minister representing the Minister for Aged Care, upon notice, on 11 October 1999:

With reference to the department's indication that the second six-monthly report of the 2-year review of aged care reforms would be presented to the Minister no later than 31 August 1999, and to the extension given to Professor Len Gray on this timeframe:

(1) Has this report been presented yet; if so, when will it be made available.

(2) How many written submissions did Professor Gray receive in response to the review's call for submissions in May 1999.

(3) Of the written submissions received, how many were from: (a) consumers; (b) private sector residential aged care providers; (c) religious/charitable residential aged care providers; (d) providers of other related services (for example, community services); (e) state and local government providers; (f) state and local government regulators; (g) staff; and (h) other sources.

(4) Is it a fact that the second 6-monthly report focuses on presenting the concerns and issues that were made in the written submissions.

(5) How will the final report, due before the end of the 1999-2000 financial year, address the terms of reference for the review.

(6) When will the Government's response to the two 6-monthly reports and final report be made.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question in accordance with advice provided to her:

(1) Yes. The second progress report is available.

(2) A total of 108 written submissions have been made to the Review. Of these, 23 were made prior to the call for written submissions.

(3) Submissions were received from:

Consumers (including carers and family members)	35
Private sector residential aged care providers	3
Religious/charitable residential aged care providers	11
Providers (sector not identified)	11
State/Local Government providers	5
Providers of other related services (e.g. community services)	25
Regulators (e.g. State/Local Government)	5
Staff	11
Other (alliance of providers, consumers, academics etc)	2
Total	108

(4) No. The second six-monthly report focuses on how the Review will 'test' whether the concerns and issues raised in the written submissions have validity. It includes a discussion of the type of data currently being collected and the analysis being undertaken.

(5) The final report will present qualitative and quantitative evidence, under each of the terms of reference, regarding the extent to which the reforms and the Aged Care Act 1997 are achieving their objectives and addressing acknowledged prior deficiencies in the aged care system.

(6) The Government is not intending to formally respond to progress reports but will respond to the final report.

Aged Care Reforms: Terms of Reference
(Question No. 1667)

Senator Allison asked the Minister representing the Minister for Aged Care, upon notice, on 11 October 1999:

With reference to point 7 of the terms of reference for the 2-year review of aged care reforms, which refers to 'Choice and Appropriateness including facilitation of ageing in place':

- (1) What barriers to 'ageing in place' have been identified in written submissions to the review.
- (2) What changes to address barriers to 'ageing in place' have been proposed in these submissions.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question in accordance with advice provided to her:

Professor Len Gray, Chief of Aged Care for the North Western Health Care Network in Melbourne, was commissioned to undertake an independent 2-Year Review of Aged Care.

The first progress report is attached. Its main focus was consultations through focus groups involving 508 participants (service providers and staff, service clients and regulators) in 17 locations across the country. The report has been published.

Professor Gray has advised the Minister that he does not wish to draw conclusions from anecdotal evidence but wishes to test assertions with reliable data. Some areas are further progressed than others and he does not wish to make part of the Review stand for the whole as this could lead to unbalanced results.

Aged Care Reforms: State and Territory Programs
(Question No. 1668)

Senator Allison asked the Minister representing the Minister for Aged Care, upon notice, on 11 October 1999:

With reference to point 6 of the terms of reference for the 2-year review of aged care reforms, which refers to 'State and territory programs, including usage of acute hospital, housing, community care, assessment and guardianship services': What specific information is provided in the written submissions to this review in relation to concerns about cost-shifting from the health sector and disability sector to the residential aged care system.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator's question:

Professor Len Gray, Chief of Aged Care for the North Western Health Care Network in Melbourne, was commissioned to undertake an independent 2-Year Review of Aged Care.

The first progress report is attached. Its main focus was consultations through focus groups involving 508 participants (service providers and staff, service clients and regulators) in 17 locations across the country. The report has been published.

Professor Gray has advised the Minister that he does not wish to draw conclusions from anecdotal evidence but wishes to test assertions with reliable data. Some areas are further progressed than others and he does not wish to make part of the Review stand for the whole as this could lead to unbalanced results.

**Department of Communications, Information Technology and the Arts: Grants to
Gippsland Electorate**
(Question No. 1873)

Senator O'Brien asked the Minister for Communications, Information Technology and the Arts, upon notice, on 21 January 2000:

- (1) What programs and/or grants administered by the department provide assistance to people living in the federal electorate of Gippsland.
- (2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

(3) What is the level of funding provided through these programs and grants that has been appropriated for the 1999-2000 financial year.

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

(1) The following programs and/or grants administered by the department provided assistance to people living in the federal electorate of Gippsland.

National Council for the Centenary of Federation

History and Education Program to assist in the publication of a biography titled "George Henry Wise - Gippsland Federationist".

Federation Fund Major Projects

Gippsland Art Gallery in Sale; to improve the Gallery's capacity to host travelling exhibitions.

Register Of Cultural Organisation (ROCO)

This program allows qualifying cultural bodies involved in activities such as literature, music, design, film, performing and visual arts etc to be approved to seek tax deductible donations for these activities. The program operates under Subdivision 30-B of the Income Tax Assessment Act 1997 (the Act).

The cultural organisations in Gippsland assisted by ROCO are:

. Birch, Ross and Barlow Community Foundation Inc (Leongatha),

For services to Visual Arts

. Mallacoota Arts Council Inc (Mallacoota),

For services to Art and Literature

. Sale and District Arts Council Inc (Sale),

For services to Music/performing Arts

. Working Horse & Tractor Rally Committee Inc (Poowong)

Historic Environment

Cultural Gifts Program

The Cultural Gifts Program and its supplement the Cultural Bequests Program encourage donations of significant cultural items from private collections to public art galleries, museums and libraries by offering donors a tax deduction.

The organisations in the federal electorate of Gippsland that participated were:

. Coal Creek Heritage Village (Korumburra)

. Gippsland Art Gallery (Sale)

Festivals Australia

Festivals Australia is a Commonwealth Government grant program designed to assist the presentation of arts and cultural activities at Australian regional and community festivals. The emphasis is on supporting a project, which adds to the quality and diversity of the arts and cultural programming of a festival.

Playing Australia

Playing Australia funded five performance tours in 1998-99, and two in 1999-00, whose itinerary included Gippsland. It is not possible to quantify the funding allocated to the Gippsland portions of the tours.

Networking the Nation (NTN)

Ten projects in Gippsland have been funded

. GippsComm Project, Grantee: Gippsland Development Limited

. Technology and Community Leadership Project, Grantee: Uniting our Rural Communities.

. Networking Dog, Grantee: La Trobe Shire Council in partnership with Monash University Centre for Electronic Commerce (CEC)

. Bass Coast Network, Grantee: Bass Coast Shire Council

. Bass Coast Technology Centre and IT Platform, Grantee: Chisholm Institute of TAFE

. Goongerah Hall Telecommunications Project, Grantee: Committee of Management – Goongerah Public Hall & Recreational Reserve.

. Linking the Community: Telecommunications Solutions for East Gippsland, Grantee: East Gippsland Shire

. Moe Internet Club, Grantee: Moe Neighbourhood House

. Gippsland Regional Internet Access Point, Grantee: Gippsland Development Limited

. Installation of a Mobile Phone Base Station At Omeo, Grantee: East Gippsland Shire Council

(2) The level of funding for these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years was.

National Council for the Centenary of Federation

1996-97 NA

1997-98 NA

1998-99 NA

Federation Fund Major Projects

1996-97 NA

1997-98 NA

1998-99 \$180,000 to be expended in 2000/2001 and 2001/2002

Register Of Cultural Organisation (ROCO)

Birch, Ross and Barlow Community Foundation Inc (Leongatha),

1996-97 NA

1997-98 NA

1998-99 \$350

Mallacoota Arts Council Inc (Mallacoota)

1996-97 \$5,245

1997-98 \$4,385

1998-99 \$4,610

Sale and District Arts Council Inc (Sale)

1996-97 \$4,500

1997-98 \$1,000

1998-99 \$1,500

Working Horse & Tractor Rally Committee Inc (Poowong)

1996-97 \$350

1997-98 \$350

1998-99 \$13,000

Cultural Gifts Program

Coal Creek Heritage Village (Korumburra)

1996-97 NA

1997-98 \$10,744

1998-99 NA

Gippsland Art Gallery (Sale)

1996-97 \$10,250

1997-98 NA

1998-99 NA

Festivals Australia

1996-97 \$20,000

1997-98 \$9,100

1998-99 \$12,000

Playing Australia

Playing Australia funded five performance tours in 1998-99. It is not possible to quantify the funding allocated to the Gippsland portions of the tours.

Networking the Nation (NTN)

GippsComm Project, Grantee: Gippsland Development Limited

1996-97 NA

1997-98 NA

1998-99 \$1,200,000

Technology and Community Leadership Project, Grantee: Uniting our Rural Communities

1996-97 NA

1997-98 NA

1998-99 \$250,000

Networking Dog, Grantee: La Trobe Shire Council in partnership with Monash University Centre for Electronic Commerce (CEC)

1996-97 NA

1997-98 \$415,000 Project launched 4 October 1999.

1998-99 NA

Bass Coast Network, Grantee: Bass Coast Shire Council

1996-97 NA

1997-98 \$250,000 The network is not yet operational.

1998-99

Bass Coast Technology Centre and IT Platform, Grantee: Chisholm Institute of TAFE

1996-97 NA

1997-98 \$84,000 The network has been operational for approximately 10 months.

1998-99 NA

Goongerah Hall Telecommunications Project, Grantee: Committee of Management – Goongerah Public Hall & Recreational Reserve

1996-97 NA

1997-98 NA

1998-99 \$16,000

Linking the Community: Telecommunications Solutions for East Gippsland, Grantee: East Gippsland Shire

1996-97 NA

1997-98 NA

1998-99 \$20,000

Moe Internet Club, Grantee: Moe Neighbourhood House

1996-97 NA

1997-98 NA

1998-99 \$17,157

Gippsland Regional Internet Access Point, Grantee: Gippsland Development Limited

1996-97 NA

1997-98 NA

1998-99 NA

Installation of a Mobile Phone Base Station At Omeo, Grantee: East Gippsland Shire Council

1996-97 NA

1997-98 NA

1998-99 NA

(3) The level of funding provided through these programs and/or grants appropriated for the 1999-2000 financial year is:

National Council for the Centenary of Federation

1999-2000 \$10,000

Federation Fund Major Projects

1999-2000 NA

Register Of Cultural Organisation (ROCO)

Unable to offer information on donations for 1999/2000 as statistical information is only collected at the end of the financial year.

Cultural Gifts Program

Coal Creek Heritage Village (Korumburra)

1999-2000 NA

Gippsland Art Gallery (Sale)

NA

Festivals Australia

1999-2000 \$36,000

Playing Australia

Playing Australia funded two performance tours in 1999-2000, whose itinerary included Gippsland, but it is not possible to quantify the funding allocated to the Gippsland portions of the tours.

Networking the Nation (NTN)

GippsComm Project.

1999-2000 NA

Technology and Community Leadership Project.

1999-2000 \$78,200

Networking Dog.

1999-2000 NA

Bass Coast Network.

1999-2000 NA

Bass Coast Technology Centre and IT Platform.

NA

Goongerah Hall Telecommunications Project.

1999-2000 NA

Linking the Community: Telecommunications Solutions for East Gippsland.

1999-2000 NA

Moe Internet Club.

1999-2000 NA

Gippsland Regional Internet Access Point.

1999-2000 \$20,000

Installation of a Mobile Phone Base Station At Omeo.

1999-2000 \$190,000

**Attorney-General's Department: Year 2000 Compliance
(Question No. 1900)**

Senator O'Brien asked the Minister for Justice and Customs, upon notice, on 21 January 2000:

(1) What was the total cost of work undertaken by the department to ensure that all systems were year 2000 compliant.

(2) (a) Who were the consultants selected as part of the above work; and

(b) What was the cost of each consultant.

(3) Where consultants were engaged, were they selected through a tender process; if not, why not.

(4) Have there been any problems with any systems within the department or any agencies since 1 January 2000; if so:

(a) what was the nature of each problem; and

(b) has each problem been corrected.

Senator Vanstone—The Attorney-General has provided the following answer to the honourable senator's question:

(1) The Department's Year 2000 compliance program applied to business critical systems only. It is not possible to identify the total cost of work undertaken to ensure Year 2000 compliance, as compliance is inseparable from related activities. For instance, many activities incorporating Year 2000 compliance also provide a more robust technology platform, improve business understanding, or establish disaster recovery contingency arrangements.

(2) Two consulting companies were engaged for Year 2000 compliance and related activities. The companies, consultants and costs are identified below:

- Intech Pacific Pty Ltd supplied several consultants but Mr Alan Reed provided most services. Total cost for the contract was \$208,000.

- Arbiter Pty Ltd provided a single consultant, Ms Norma Fredrickson, at a cost of \$127,000.

(3) Intech Pacific Pty Ltd was selected through a tender process. Arbiter Pty Ltd was selected because of a combination of the principal consultant's detailed knowledge of the portfolio and a strong information technology background, along with the urgency in assessing the portfolio's Year 2000 readiness.

(4) (a) The Department and most agencies have not reported Year 2000 problems with any business critical systems. The National Crime Authority and Australian Security Intelligence Organisation reported minor problems with non-business critical systems, all of which have been corrected.

The Australian Customs Service has reported the following with respect to its systems:

(i) COMPILE and CLEAR

A date related problem effected the payment of refunds in both COMPILE and CLEAR although all were paid within the statutory period. This had little or no business effect on clients.

A problem was experienced in COMPILE on the application of By-Laws. This impacted on one client.

(ii) TAPIN

The TAPIN system experienced a minor problem with the date search function. This had no business effect on clients.

(iii) Internal reporting, management and printing

Some minor problems were experienced with the management, printing and generation of reports. This had no effect on clients or the processing of core business.

(b) All except one problem with the Australian Customs Service systems has been corrected, the remaining problem is being corrected in March 2000.

Attorney-General's Department: Gavin Anderson and Kortlang
(Question No. 1932)

Senator Robert Ray asked the Minister representing the Attorney-General, upon notice, on 17 February 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm, Gavin Anderson and Kortlang since March 1996.

(2) In each instance: (a) what was the purpose of the work undertaken by Gavin Anderson and Kortlang; (b) what has been the cost of the contract to the department; and (c) what selection process was used to select Gavin Anderson and Kortlang (open tender, short-list, or some other process).

Senator Vanstone—The Attorney-General has provided the following answer to the honourable senator's question:

- (1) None.
- (2) N/A.

Australia Post: Branch Telephone Numbers
(Question No. 1973)

Senator Allison asked the Minister for Communications, Information Technology and the Arts, upon notice, on 2 March 2000:

(1) (a) When and why did Australia Post decide to abandon the practice of publishing individual post office telephone numbers in the Telstra White Pages; and (b) upon what data and/or analysis was this decision based.

(2) (a) How much, if anything, did publication of these phone numbers cost; (b) how much will be saved by abandoning this service; and (c) what, if any, improvements in staff productivity are expected to result from this measure (please quantify in hours/dollar amounts).

(3) What data and/or analysis supports this measure in terms of improving customer service, or does the Minister accept that customers will spend more time and money contacting their local post office if the telephone line is engaged.

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

Based on advice received from Australia Post.

(1) (a) and (b) Australia Post has in recent years been moving progressively to direct customers from Post Offices to dedicated Customer Care Centres in each State, as a first point of contact for enquiries/complaints. The aim in so doing is to ensure that Post Office staff are not unnecessarily diverted from serving customers to answer routine telephone calls. Customer Care Centre staff are able to provide customers with advice direct, or switch their call to the most appropriate facility (ie corporate outlet, licensed post office (LPO), delivery centre etc), as required.

To date, changed White Pages listings have been implemented by a number of Australia Post's State Administrations. In Western Australia (1996), South Australia (1998) and Tasmania (1999), a full listing of corporate and licensed offices and their locations was retained, with the central Customer Care Centre number listed against corporate outlets and, unless requested otherwise, LPOs listed with their individual office numbers. New South Wales and Queensland are in the process of moving towards a similar style listing.

In Victoria, the previous block listing of individual corporate and licensed post offices was replaced in the 1999 White Pages with a single centralised telephone access point for the State's Customer Care Centre (131318). However, in response to concerns expressed from a number of quarters, the full listing of all offices and their location is being reinstated in the next (mainly 2000) issue of directories. Corporate outlets will be listed against the Customer Care Centre number and LPOs will be listed with their individual office numbers.

(2) (a-c) These changes are not being undertaken as a cost reduction exercise. As individual listings remain, there is no saving in directory costs.

In addition to the primary, service related reasons for the change outlined above, there are also general productivity improvements from the use of trained operators with enhanced information systems

who are better placed to handle calls more quickly. The precise level of such gains has not been quantified.

(3) An inherent problem with Post Office answering points was that phones were not always answered promptly as staff at the counter were often busy. Equally, in the case of Delivery, availability was frequently an issue, with staff either on their rounds or having finished their shift earlier in the day. This resulted in a very high level of customer recorded messages (around 20%) requiring follow-up the next day.

Also, up to 50% of calls are not office specific and can be answered at any point, while others require network knowledge not always available at an individual local outlet.

While there may be some delays in answering calls as a new Customer Care Centre is being bedded down, resources and systems can be adjusted to meet changing levels of demand in a way that could not be achieved through individual outlets.

**Goods and Services Tax: Department of the Environment and Heritage Research
(Question No. 1979)**

Senator Faulkner asked the Minister for the Environment and Heritage, upon notice, on 3 March 2000:

(1) Has the department, or any agency of the department, commissioned or conducted any quantitative and/or qualitative public opinion research (including tracking research) since 1 October 1998, related to the goods and services tax (GST) and the new tax system; if so: (a) who conducted the research; (b) was the research qualitative, quantitative, or both; (c) what was the purpose of the research; and (d) what was the contracted cost of that research.

(2) Was there a full, open tender process conducted by each of these departments and/or agencies for the public opinion research; if not, what process was used and why.

(3) Was the Ministerial Council on Government Communications (MCGC) involved in the selection of the provider and in the development of the public opinion research.

(4) (a) What has been the nature of the involvement of the MCGC in each of these activities; and (b) who has been involved in the MCGC process.

(5) (a) Which firms were short-listed; (b) which firm was chosen; (c) who was involved in this selection; and (d) what was the reason for this final choice.

(6) What was the final cost for the research, if finalised.

(7) On what dates were reports (written and verbal) associated with the research provided to the departments and/or agencies.

(8) Were any of the reports (written and verbal) provided to any government minister, ministerial staff, or to the MCGC, if so, to whom.

(9) Did anyone outside the relevant department and/or agency or Minister's office have access to the results of the research; if so, who and why.

(10) (a) What reports remain outstanding; and (b) when are they expected to be completed.

(11) Are any departments and/or agencies considering undertaking any public opinion research into the GST and the new tax system in the future; if so, what is the nature of that intended research.

(12) Will the Government be releasing the full results of this taxpayer-funded research; if so, when; if not, why not.

Senator Hill—The answer to the honourable senator's question is as follows:

No.

**Aboriginal and Torres Strait Islander Commission: Contracts with KPMG
(Question No. 2052)**

Senator Robert Ray asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 7 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm KPMG in the 1998-99 financial year.

(2) In each instance: (a) what was the purpose of work undertaken by KPMG; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select KPMG (open tender, short-list or some other process).

Senator Herron—The answer to the honourable senator's question is as follows:

(1) The Commission has engaged the firm KPMG in the 1998–99 financial year. Nine contracts were entered into during the financial year 1998/99.

(2) Attachment A sets out a brief description of the work undertaken by KPMG, cost of each contract and the procurement process used to select the firm.

Description of Consultancy	Procurement Method	Selected Consultant	Amount
1 Advertised publicly (including those advertised to form a register)	4 Sole Supplier		
2 Selective tendering process *	5 Under Commonwealth Contract/Memorandum of Understanding		
3 Not advertised as a contract already exists	Sole quotation sought ** Ministerial Direction		
A Specialised skills not available in ATSIC in required timeframe	D Lack of in-house resources.		
B Need to access high technological experience or expertise	E Need for an independent review		
Grant Controller for Kooma Aboriginal Corporation	5E	KPMG 345 Queen Street Brisbane Qld 4000 Duns 75-382-3475	\$20,000
Audit Assignment Group 6 - Functional Audit Regional Council Decision Making Process	1E	KPMG 80 Northbourne Avenue Canberra ACT 26012	\$51,437
Audit Assignment Group 1 - Regional Office Audits - Rockhampton & Cairns	1E	KPMG 80 Northbourne Avenue Canberra ACT 26012	\$21,233
Conduct 2 major reviews to complete office MR cycle, 1 CDEP & 1 community organisation financial element	2E	KPMG GPO Box 1616 Darwin NT 0801 Duns 75-382-3475	\$3,750
To develop an Internal Audit Strategy & Work Program for the Aboriginal & Torres Strait Islander Commercial Development Corporation	1D	KPMG Management Consulting Duns 75-382-3475 GPO Box 799 Canberra ACT 2601	\$6,650

Description of Consultancy	Procurement Method	Selected Consultant	Amount
Examine option of a Regionalisation Policy in making funding decisions	1D	KPMG Management Consulting Level 8, 45 Murray Street Hobart Tas 7000 Duns 75-382-3475	\$9,700
Conduct 8 organisational reviews including 2 CDEPs & major community reviews.	2E	KPMG GPO Box 1616 Darwin NT 0801	\$22,300
Identify Warai trade creditors for 1997/98 in regard to ATSIC approved grants finalise payment. Itemised report of ATSIC funded assets. Complete a financial statement for ATSIC grants for 1997/98 in regards to Warai Association	2E	KPMG GPO Box 1616 Darwin NT 0801	\$450
To assist in the assessment of applications for recognition as a representative body under the Native Title Act 1993	2D	KPMG 80 Northbourne Avenue Canberra ACT 26012	\$75,000

* Effective competition can be achieved through confirming invitation to known or qualified approved suppliers.

** Market factors require single tendering or a similar approach.

Aboriginal and Torres Strait Islander Commission: Contracts with Arthur Andersen (Question No. 2071)

Senator Robert Ray asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 7 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Arthur Andersen in the 1998-99 financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by Arthur Andersen; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Arthur Andersen (open tender, short-list or some other process).

Senator Herron—The answer to the honourable senator's question is as follows:

The Commission did not engage the firm Arthur Andersen during the 1998-99 financial year.

Aboriginal and Torres Strait Islander Commission: Contracts with Ernst and Young (Question No. 2090)

Senator Robert Ray asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 7 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Ernst and Young in the 1998-99 financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by Ernst and Young; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Ernst and Young (open tender, short-list or some other process).

Senator Herron—The answer to the honourable senator's question is as follows:

(1) The Commission has engaged the firm Ernst and Young in the 1998–99 financial year. Five contracts were entered into during the financial year 1998/99.

(2) Attachment A sets out a brief description of the work undertaken by Ernst and Young, cost of each contract and the procurement process used to select the firm.

ADMINISTRATIVE AND SPECIAL PROGRAM CONSULTANCIES FOR 1998/99

Description of Consultancy	Procurement Method	Selected Consultant	Amount
1 Advertised publicly (including those advertised to form a register)	4 Sole Supplier		
2 Selective tendering process *	5 Under Commonwealth Contract/Memorandum of Understanding		
3 Not advertised as a contract already exists	Sole quotation sought ** Ministerial Direction		
A Specialised skills not available in ATSIIC in required timeframe	D Lack of in-house resources.		
B Need to access high technological experience or expertise	E Need for an independent review		
For the production of a detailed review of the Commission's Fraud Risk Assessment & Fraud Control Plan	5E	Ernst & Young GPO Box 281 Canberra ACT 2601 74-546-2309	\$2,950
Produce a Fringe Benefits Tax Procedural Manual, improve record keeping methods, develop management strategies and deliver training to staff.	2D	Ernst & Young 54 Marcus Clarke Street Canberra ACT 2601	\$35,300
To compile & lodge with the Australian Taxation Office the Commission's completed Fringe Benefits Tax Return for 1999 - Extension to Contract	5D	Ernst & Young 54 Marcus Clarke Street Canberra ACT 2601	\$16,500
To compile & lodge with the Australian Taxation Office the Commission's completed Fringe Benefits Tax Return for 1999 - Extension to Contract	5D	Ernst & Young 54 Marcus Clarke Street Canberra ACT 2601	\$3,200
To extend Fringe Benefit tax collection package to incorporate employees' details to comply with the Fringe benefits Reporting Bill. Formulate Commission's policy on fringe benefits.	5B	Ernst & Young GPO Box 281 Canberra ACT 2601	\$56,900

* Effective competition can be achieved through confirming invitation to known or qualified approved suppliers.

** Market factors require single tendering or a similar approach.

Human Rights: Colombia (Question No. 2111)

Senator Bourne asked the Minister representing the Minister for Foreign Affairs, upon notice, on 16 March 2000:

(1) Has the Minister been informed of the assassination of five people in San José de Apartado, Atioquia, Colombia?

(2) Has the Australian Government made any representation to the Colombian Government to: (a) investigate the circumstances of the killing, including reliable reports that soldiers of the Colombian army were involved; and (b) reassess its approach to restoring peace and a cessation of hostilities in this area?

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

(1) This case has been brought to the attention of the Government both through non-governmental channels and the Amnesty International Parliamentary Group.

(2) The Australian Government receives numerous requests each year to make representations to governments on behalf of citizens whose human rights are said to be violated. The Government monitors the human rights situation closely and, where appropriate, makes representations where there are good grounds for doing so. My Department, through the Australian Embassy in Caracas, Venezuela, is currently considering this case in order to determine the most appropriate course of action in this instance.