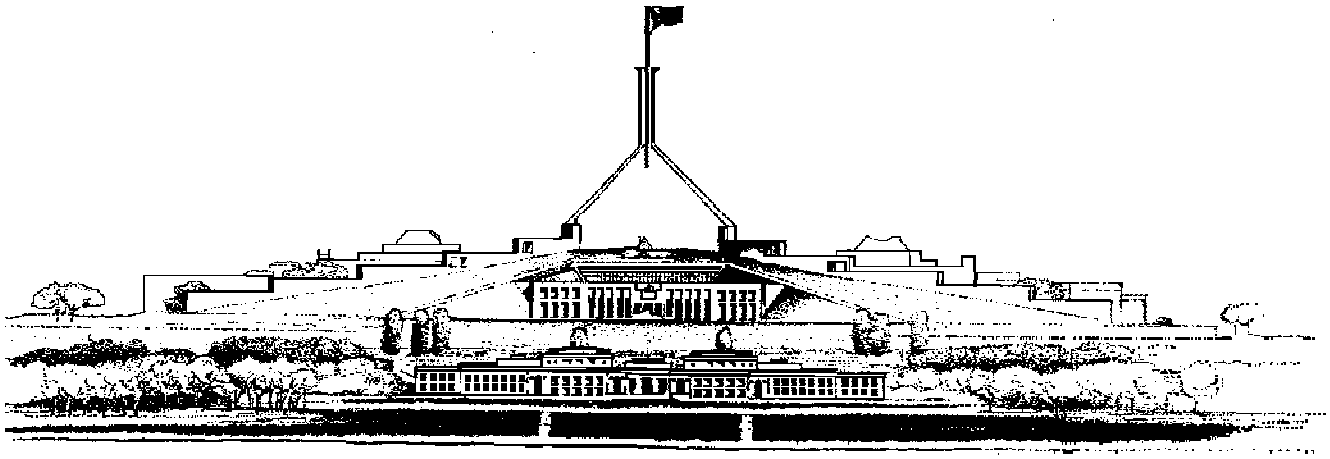
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



SENATE

Official Hansard

THURSDAY, 9 MAY 1996

THIRTY-EIGHTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

BY AUTHORITY OF THE SENATE
CANBERRA

CONTENTS

THURSDAY, 9 MAY

Petitions—
- Logging and Woodchipping . . . 587
- Anzac Day . . . 587
- Freedom of Choice . . . 587
- Overhead Cables . . . 588
- French Nuclear Testing . . . 588

Notices of Motion—
- Consideration of Legislation . . . 588
- Introduction of Legislation . . . 589
- Consideration of Legislation . . . 589
- Mr P.J. Keating: Piggery . . . 590
- Community Standards Committee . . . 590

Committees—
- Selection of Bills Committee—Report . . . 590

Order of Business—
- General Business . . . 591
- Superannuation Committee . . . 591

Leave of Absence . . . 591

Committees—
- Certain Land Fund Matters Committee—Documents . . . 591

Electorate Staff . . . 592

World Heritage Properties Conservation Amendment (Protection of Wet Tropics of Tully) Bill 1996—
- First Reading . . . 592
- Second Reading . . . 592

Film and Video Guidelines—
- Suspension of Standing Orders . . . 593
- Procedural Motion . . . 593
- Motion . . . 593

Order of Business—
- BHP Petroleum . . . 604

Restitution of Property to King Island Dairy Products Pty Ltd Bill 1996—
- First Reading . . . 604
- Second Reading . . . 604

Election Campaign Material—
- Suspension of Standing Orders . . . 605
- Procedural Motion . . . 605
- Motion . . . 605

Ministers of State Amendment Bill 1996—

Excise Tariff Amendment Bill 1996—

Dairy Produce Levy (No. 1) Amendment Bill 1996—

Dairy Produce Amendment Bill 1996—
- First Reading . . . 618
- Second Reading . . . 618

Therapeutic Goods Amendment Bill 1996 (No. 2)—
- In Committee . . . 620

Questions Without Notice—
- Superannuation . . . 626
- Sale of Telstra . . . 626

Distinguished Visitors . . . 628

Questions Without Notice—
- Minister for Primary Industries and Energy . . . 628
- Land Degradation . . . 628
- Election of Senator . . . 629
- Logging and Woodchipping . . . 630
- Department of Employment, Education, Training and Youth Affairs . . . 630
- St Mary's Housing Development . . . 631
- Vietnamese Refugees . . . 632

CONTENTS—*continued*

Distinguished Visitors 632
Questions Without Notice—
  Beef Industry 633
  Tariffs 633
  Taxation: HECS 634
  Immigration 634
  Election Promises 635
  Social Security: Migrants 636
  Labour Market Program Expenditure 636
  Aboriginal and Torres Strait Islander Commission 637
Personal Explanations 638
Questions Without Notice—
  Election of Senator 638
  Minister for Primary Industries and Energy 638
  Family Court of Australia 639
  Sale of Telstra 640
  Minister for Primary Industries and Energy 643
Telstra (Dilution of Public Ownership) Bill 1996—
  First Reading 646
  Second Reading 646
Committees—
  Membership 653
Notices of Motion—
  Coalition—Election Promises 654
Documents—
  Auditor-General's Report—Report No. 22 of 1995-96 654
Committees—
  Finance and Public Administration Legislation Committee—
    Additional Information 654
  Foreign Affairs, Defence and Trade Legislation Committee—
    Additional Information 654
  Economics References Committee—Terms of Reference 654
Documents—
  Consideration 654
Australian Taxation Office 655
Committees—
  Privileges Committee—Report 682
  Migration Committee—Report: Government Response 683
  Rural and Regional Affairs and Transport Legislation Committee—
    Report: Government Response 684
  Legal and Constitutional References Committee—Report 692
  Consideration 694
Sessional Orders 694
Committees—
  Membership 694
Adjournment—
  Education and Training in Correctional Facilities 694
  Gun Control 696
Documents—
  Tabling 697
  Indexed Lists 697

Thursday, 9 May 1996

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

PETITIONS

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

Logging and Woodchipping

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

We are dismayed at the continuing destruction of old growth and wilderness forests around Australia, despite the National Forest Policy Statement jointly signed by the Commonwealth and all States except Tasmania.

Intensive logging, most often to feed a voracious woodchip industry is underway or planned for many high conservation value forests. These forests should be protected by the commitments of the Commonwealth and State Governments under the NFPS.

These forests include:

Coolangubra Wilderness and other areas of the S.E. Forests of NSW along with rainforest and other N.E. areas of NSW including Wingham, Mistake, Richmond Range, Chaelundi, North Washpool, Barrington and Dorrigo.

The Southern Highlands, Great Western Tiers and Tarkine Wilderness of Tasmania.

The Karri and Jarrah forests of S.W. Western Australia.

The Errinundra Plateau and other areas of the East Gippsland forests of Victoria.

The rainforests of the Proserpine region of Queensland.

We request that the Government act urgently to protect our precious forests by utilising the Commonwealth's legal and constitutional powers, including:

Refusal of export woodchip licences

Powers to control corporations

Protection of areas listed on the register of the National Estate

Protection and effective funding of areas identified for their World Heritage values.

Genuine and effective action by the Government to protect these and other old growth and wilderness forests is critical. A comprehensive plantation strategy rather than exploiting native forests is the way forward for a truly environmentally responsible timber industry. We further request that the Government take effective action without further delay.

by **Senator Kernot** (from 127 citizens).

Anzac Day

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

The petition of certain citizens of Australia draws to the attention of the Senate:

The ANZACS at the Gallipoli landing on 25 April 1915 were instrumental in forging a new identity for Australia. That landing was a lifetime ago but the deeds of those ANZACS of 1915-18 still speak a message of selfless service and sacrifice that will last forever.

ANZAC Day is a day to remember those who left their homes with a strong desire to return but did not, as well as those who did return. The survivors carried for the remainder of their lives the scars of these experiences.

ANZAC Day is a day to contemplate the spirit that moves men and women to serve, to suffer discomforts, dangers and fears and to risk their lives in defence of their country and in the pursuit of peace, justice and freedom.

On ANZAC Day, we salute not only the spirit of the ANZACS but, in paying tribute to them, we take the opportunity to dedicate ourselves to striving for our country as they did and to upholding their finest qualities of courage, commitment, endurance and mateship.

Your petitioners therefore pray that the Senate draw to the attention of the Government the desirability of declaring ANZAC Day an Australian National Day of Commemoration and that it be held on 25 April each year regardless of the day of the week on which it shall fall.

by **Senator Schacht** (from 53 citizens).

Freedom of Choice

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

The humble Petition of the Citizens of Australia, respectfully showeth:

That we:

(1) Affirm the importance of quality education for all the children of this Commonwealth of Australia irrespective of their religion, nationality or sex;

(2) Support the rights of parents to have freedom of choice of the school for their child;

(3) Support the right of all non-government schools to maintain their distinctive moral values and foundational ethos;

(4) Support the freedom of choice in staffing of all Churches and religious organisations.

(5) Support freedom of religion and the right of all Churches and religious organisations to maintain their distinctive foundational ethos.

Your petitioners therefore humbly pray that the Senate oppose any attempts to introduce legislation that would jeopardise these freedoms and rights and which would force Schools, Churches and religious institutions to compromise their distinctive moral values and foundational ethos.

And your petitioners, as in duty bound, will ever pray:

by **Senator Woods** (from 191 citizens).

Overhead Cables

Petition opposing the installation of overhead cables in Rosebank Avenue, Epping, Sydney, NSW

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

The petition of the undersigned citizens of Australia respectfully showeth that:

(1) We are opposed to the installation of overhead television or telephone cables being affixed to existing electricity poles due to the significant deleterious visual impact of this method of installation. We would bring to your attention the recognised value of our local area and the local council heritage listing of certain houses within the street.

(2) We question why standing legislation in regard to the part played by local councils has been ignored for the purposes of the Telecommunications National Code.

We call on Mr Michael Lee, the Minister for Communications and the Arts, to immediately suspend overhead cable installation. We wish the Minister to request the local electricity distributor, local telephone authority, and proposed new phone and television authorities to consult with each other and with the public with a view to proposing a mutually acceptable plan for underground cable installation.

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

by **Senator Woods** (from 28 citizens).

French Nuclear Testing

Senator PANIZZA (Western Australia)—by leave—I present to the Senate the following petition, from 15 citizens, which is not in conformity with the standing orders as it is not in the correct form:

To the President of France and Members of the French Government.

The petition of the undersigned expresses the widespread community outrage throughout Australia at the decision of the French Government to resume nuclear testing in the South Pacific.

Your petitioners ask that the French Government reverse its position and abandon completely any further nuclear tests in the South Pacific.

Further, we the undersigned, support efforts to have the World Court determine whether the development and use of nuclear weapons is illegal.

Petitions received.

NOTICES OF MOTION

Consideration of Legislation

Senator KEMP (Victoria—Manager of Government Business in the Senate)—I give notice that, on the next day of sitting, I shall move:

That the order of the Senate of 29 November 1994, relating to the consideration of legislation, not apply to the following bills:

Dairy Produce Levy (No. 1) Amendment Bill 1996

Dairy Produce Amendment Bill 1996

Excise Tariff Amendment Bill 1996

Ministers of State Amendment Bill 1996.

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

Leave granted.

The statements read as follows—

DAIRY PRODUCE LEVY (No.1) AMENDMENT BILL 1996, AND THE DAIRY PRODUCE AMENDMENT BILL 1996

Statement of Reasons for Introduction and Passage in the 1996 Winter Sittings

In administering the dairy market support arrangements, the Australian Dairy Corporation (ADC), believing it has been acting in accordance with the legislation, has been applying a notional split at the State level between market milk and manufacturing milk as opposed to determining the quantity of each milk produced by an individual farmer based on the actual usage of that milk. The

notional split is based on State equalisation and quota arrangements whereby all producers benefit equally from the higher market milk prices. As it would be extremely difficult to alter industry milk pricing arrangements, it is proposed that the current legislation be amended retrospectively to make it consistent with the levy collection and support payment arrangements being exercised by the ADC.

Legal advice has been received from the Attorney-General's Department stating that curative amendments to the present legislation should be introduced immediately. The present administration of the dairy market support arrangements is not consistent with the current legislation, requiring immediate and retrospective amendment to reflect what is occurring in practice.

The proposed legislative amendments are essentially of a technical nature and are designed to vary the definitions of market milk and manufacturing milk for the purposes of administering the dairy domestic market support arrangements. The amendments will not materially affect actual levy collection and support payments which are in accordance with industry expectations.

EXCISE TARIFF LEGISLATION AMENDMENT BILL

Statement of Reasons for Introduction and Passage in the 1996 Winter Sittings

This Bill proposes to insert into the Excise Tariff Act 1921 the definition of 'prescribed division' currently contained in an Excise By-Law. The definition is necessary for determining the periods of a year for the purposes of calculating excise duty on crude petroleum oil.

The need for the legislation has arisen as a result of recent advice received from the Attorney-General's Department concerning crude oil excise receipts under two sections of the Excise Tariff Act which rely upon the By-Law definition. Remedial legislation has been suggested to transfer the definition into the principal Act, from 1 July 1983, being the date the relevant Crude Oil Excise provision was inserted into the Tariff Act.

The retrospective commencement is proposed as a technical precaution pursuant to the Attorney-General's Department's advice, to remove any doubt about the validity of past revenue collections under the definition.

MINISTERS OF STATE AMENDMENT BILL

Statement of Reasons for Introduction and Passage in the 1996 Winter Sittings

The Ministers of State Act 1952 is the means by which an annual sum is appropriated from the Consolidated Revenue Fund to cover the salaries of Ministers. The Act is an Appropriation Act to meet the cost of salaries and does not set Ministers' salaries.

The Act's current limit on the sum appropriated is $1,615,000.

The Ministers of State Amendment Bill will amend the total appropriation for Ministers' salaries to $1,640,000 for 1995-96 and $1,600,000 for subsequent years.

Salary increases are effective from 13 July 1995 (two per cent), 7 March 1996 (1.6 per cent) and 17 October 1996 (two per cent). The Australian Public Service Enterprise Agreement was certified by the Australian Industrial Relations Commission on 22 September 1995. Additional salaries of Ministers and Parliamentary Office-holders are also increased by the same proportion from the same date necessitating introduction of the Ministers of State Amendment Bill and its passage in the Winter Sittings.

The increases derive from increases awarded to all Senators and Members by way of Schedule 3 of the Remuneration and Allowances Act 1990 which links parliamentarians' salaries to the minimum of the Senior Executive Salary Band 2 salary.

The increase derives from a decision of the previous Government following passage of the Remuneration and Allowances Act to give Ministers the same percentage increase awarded by the Act to Senators and Members, the Opposition and other Parliamentary Office-holders.

Introduction of Legislation

Senator KERNOT (Queensland—Leader of the Australian Democrats)—I give notice that, on the next day of sitting, I shall move:

That the following bill be introduced: A Bill for an Act to establish a Natural Heritage Trust Fund for environmental programs of national significance, to be funded from a proportion of the profits of Telstra. *Natural Heritage Trust Fund Bill 1996.*

Consideration of Legislation

Senator KEMP (Victoria—Manager of Government Business in the Senate)—I give notice that, on the next day of sitting, I shall move:

That the order of the Senate of 29 November 1994, relating to the consideration of legislation, not apply to the Telstra (Dilution of Public Ownership) Bill 1996.

I table a statement of reasons justifying the need for the bill to be considered further

during this sittings. I seek leave to incorporate the statement in *Hansard*.

Leave granted.

The statement read as follows—

Statement of Reasons

The Telstra (Dilution of Public Ownership) Bill 1996 will:

make provision for the partial sale of Telstra;

amend the Telstra Corporation Act 1991 to facilitate the change in ownership of the company, set foreign ownership limits and related measures

make consequential amendments to other legislation, as necessary.

Passage of the legislation in the Winter sittings 1996 is essential to enable the partial sale of Telstra to proceed in accordance with the government's announced schedule.

Mr P.J. Keating: Piggery

Senator MICHAEL BAUME (New South Wales)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

(a) notes:

(i) the totally incorrect claim by the Leader of the Opposition (Mr Beazley), on 7 May 1996, that Mr Keating had 'got rid of his pig farm when he became a minister again',

(ii) that, on the contrary, Mr Keating was the Federal Treasurer when, on 15 May 1991, he paid $430 000 to acquire his half-ownership of a $20 million piggery group, was Prime Minister when the piggery entered into a $80 million joint venture deal with a foreign multi-national company in April 1992 and was still Prime Minister in March 1994 when he used a device to avoid having to seek Foreign Investment Review Board approval to dispose of his half-ownership of some of his piggery group companies to Indonesian interests, and

(iii) that the Australian people still do not know who owns many of the other piggery group companies because they have failed to abide by the Corporations Law requiring annual returns to be filed with the Australian Securities Commission, resulting in Mr Keating's piggery partner and his family company director and solicitor both being recently found guilty of offences under the Companies Act;

(b) agrees with Mr Beazley that Mr Keating should have 'got rid' of his piggery immediately he became Prime Minister, so as to avoid potential conflicts of interest, and indeed should not have acquired them while Treasurer; and

(c) regrets Mr Beazley's attempt to rewrite history in a way that falsifies Mr Keating's improper behaviour over his inappropriate piggery investment.

Community Standards Committee

Senator HARRADINE (Tasmania)—I give notice that, on the next day of sitting, I shall move:

That—

(1) The select committee known as the Select Committee on Community Standards Relevant to the Supply of Services Utilising Electronic Technologies, appointed by resolutions of the Senate of 21 June 1991, 10 September 1991, 23 June 1992, 5 May 1993, 12 May 1993 and 8 February 1994, be reappointed with the same functions, membership and powers, except as otherwise provided by this resolution.

(2) The committee have power to consider and use for its purposes the minutes of evidence and records of the Select Committee on Community Standards Relevant to the Supply of Services Utilising Electronic Technologies and its predecessor appointed in the previous two Parliaments.

(3) That the committee report to the Senate on or before the last day of sitting in December 1996.

COMMITTEES

Selection of Bills Committee

Report

Senator PANIZZA (Western Australia)—I present the first report of 1996 of the Selection of Bills Committee.

Ordered that the report be printed.

Senator PANIZZA—I seek leave to incorporate the report in *Hansard*.

Leave granted.

The report read as follows—

REPORT NO. 1 OF 1996

1. The Committee met on 8 May 1996.
2. The Committee resolved:

(a) That the following bill be ***referred*** to a committee:

Bill title	Stage at which referred	Legislation Committee	Reporting date
Shipping Grants Legislation Bill 1996	immediately	Rural and Regional Affairs and Transport	27 May 1996

(b) That the following bills ***not*** be referred to committees:

Dairy Produce Amendment Bill 1996

Dairy Produce Levy (No. 1) Amendment Bill 1996

Hazardous Waste (Regulation of Exports and Imports) Amendment Bill 1996

Health Legislation (Powers of Investigation) Amendment Bill 1996

Therapeutic Goods Amendment Bill 1996 (No. 2)

The Committee recommends accordingly.

3. The Committee has ***deferred*** consideration of the following bills to the next meeting:

Customs and Excise Legislation Amendment Bill (No. 1) 1996

Excise Tariff Amendment Bill 1996

Koongarra Project Area Repeal Bill 1996

Ministers of State Amendment Bill 1996

Parliamentary Proceedings Broadcasting Amendment Bill 1996

Prohibition of Exportation of Uranium (Customs Act Amendment) Bill 1996

Telstra (Dilution of Public Ownership) Bill 1996

Uranium Mining in Australian World Heritage Properties (Prohibition) Bill 1996

(John Panizza)

Chair

9 May 1996

ORDER OF BUSINESS

General Business

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

That the order of general business for consideration today be as follows:

(1) consideration of government documents; and

(2) general business notice of motion No. 12 standing in the name of Senator West relating to the decision of the Australian Taxation Office to close regional tax offices.

Superannuation Committee

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

That general business notice of motion No. 41 standing in the name of Senator Watson for this day, relating to the reappointment of the Select Committee on Superannuation, be postponed till the next day of sitting.

LEAVE OF ABSENCE

Motion (by **Senator Chris Evans**)—by leave—agreed to:

That leave of absence be granted to Senator Jones for the period 30 April to 9 May 1996, on account of parliamentary business overseas.

COMMITTEES

Certain Land Fund Matters Committee

Documents

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for the Environment and Parliamentary Secretary to the Minister for Sport, Territories and Local Government)—I seek leave to table a document that relates to the business of the Select Committee on Certain Land Fund Matters and to make a short statement.

Leave granted.

Senator CAMPBELL—I thank the chamber for the indulgence. The Select Committee on Certain Land Fund Matters presented its final report to the Senate on 30 November last year and therefore ceases to exist. Honourable senators will remember that I had the honour of chairing that committee. After the tabling of that report, supplementary correspondence dated 27 December 1995 was received from Rosemary O'Grady which I believe, as the former chairman of that committee, should be tabled.

In so doing, I would like to point out that the committee did in fact receive a submission from Ms O'Grady during the course of its inquiry. That submission, which was received as evidence in the inquiry and authorised for publication, provoked a response from the Kimberley Land Council. The Kimberley Land Council submission, which was also received as evidence to the inquiry and authorised for publication, was provided to

Ms O'Grady on the understanding that, as the points of view of both parties were on the public record and as the matters were not germane to the committee's inquiry, the committee did not intend to deal with the matters raised any further.

Ms O'Grady was overseas at the time the committee communicated its decision to her and was not therefore in a position to respond immediately. The supplementary correspondence which I am tabling today is Ms O'Grady's response to the KLC submission. Notwithstanding the committee's decision not to take the matter further, the principle of fairness requires Ms O'Grady's rebuttal of assertions made by the Kimberley Land Council to be placed on the public record. During the time of the election, I indicated to Ms O'Grady that I would take the first appropriate occasion to table this correspondence. I further indicated to her that this would conclude the matter, as I do not intend to table any further correspondence either from her or from the Kimberley Land Council.

ELECTORATE STAFF

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

That the Senate—

(a) recognises the immeasurable contribution made by electorate staff in the day-to-day running of electorate offices;

(b) acknowledges the fact that electorate staff frequently become the 'surrogate member' when their senator or member is away from the electorate office;

(c) views, with concern, any proposal to reduce the complement of electorate staff in senators' or members' offices;

(d) calls on the Government to:

(i) continue to provide all senators and members with at least 3 full-time equivalent electorate staff, and

(ii) not support any proposition to reduce electorate staff levels; and

(e) commends electorate staff for their assistance, expertise and loyalty.

WORLD HERITAGE PROPERTIES CONSERVATION AMENDMENT (PROTECTION OF WET TROPICS OF TULLY) BILL 1996

First Reading

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

That the following bill be introduced: a Bill for an Act to amend the *World Heritage Properties Conservation Act 1983* to afford special and permanent protection to Wet Tropics area at Tully, Queensland.

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

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

Bill read a first time.

Second Reading

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (9.43 a.m.)—I move:

That this bill now read a second time.

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

Leave granted.

The speech read as follows—

It is hard to imagine a place more spectacular than the Wet Tropics World Heritage Area: high rocky escarpments where water plunges to deep gorges and clear pools; wet, green, lush, brimming with abundant wildlife and vegetation. The World Heritage area encompasses rainforest, closed and open forest and protects the largest area of tropical rainforest in a developed country in the world.

The Wet Tropic World Heritage Area has been described as a biological treasure trove, and is one of the few places in the world to meet all four of the World Heritage criteria. It contains:

65% of Australia's fern species,

21% of our cycad species,

37% of our conifer species,

30 % of Australia's orchard species,

25% of Australia's frog species,

36% of our mammal species,

58% of our bat species,

50% of our bird species,

37% of our fish species and

60% of our butterfly species.

The Wet Tropics is an important place for the protection of the relics of our past and it is also a place that provides a refuge for our evolutionary

future. The Australian Democrats bill seeks to give that area of the Wet Tropics in Queensland, permanent protection.

Within days of the National Party gaining power in Queensland, as expected an old and tired debate reared up again.

The proposal to dam the Tully Millstream will inundate a World Heritage Area inscribed on the Register in 1988. It will flood 1403 ha and drain rivers and streams. The World Heritage area is buffered by forest and another 4,000ha of that forest, which is on the Interim register of the National Estate, will also be flooded.

This will remove considerable habitat for many species including 10 plants and 3 mammals regarded as rare or endangered including the Antechinus, yellow bellied Glider. The cassowary is also found in this area.

Australia as a nation has responsibilities under the International Treaties on Biodiversity and World Heritage. In the latter treaty we have promised to protect, conserve, promote and transmit to future generations our world heritage areas.

Reducing biodiversity by the removal of habitat because we have drowned part of our precious and fragile rainforest and wet sclerophyll forests for a dam, is not co-operating with either the intent or the spirit of those international treaties.

Furthermore it is robbing us of our chance to transmit to future generations the integrity of this unique and special place.

The argument that Queensland needs the power has been considerably overestimated. In fact the scheme would cost $1 billion and increase overall power by only 3%.

Any extra power needed can be found through many options. These options include—implementing energy efficiency measures; encouraging the use of solar power; demand side management; or even co-generation with nearby sugar mills.

A study by the Victorian State Electricity Commission demonstrated that energy conservation programs could save 4 times the projected output of the Tully Millstream Scheme for one-tenth of the dam's cost.

The Queensland Government may try different ways to get the dam through.

They may stick to the original proposal; they may try to cut out part of the proposal so that a few areas are protected in the middle and flood other areas. However they fiddle, it will still be a dam that is utterly damaging and utterly unnecessary.

Our legislation will prevent any dam which would directly or indirectly affect the world heritage area being built there and it is the only way to ensure that the Tully is protected.

The ALP made such strong statements about Tully Millstream during the election, when the then Prime Minister visited the area we are fully expecting their support for this legislation.

We believe many Coalition Senators are sympathetic to the protection of this area. We are sure the new Minister for the Environment knows his international obligations.

Prime Minister John Howard said on the 27 February this year that the Tully Millstream Hydroelectric scheme would not go ahead if it were to cause 'significant damage to the environment' and since it is abundantly clear that it will cause enormous damage to the environment we are expecting his full support.

We anticipate all parties supporting this vital legislation through both houses in a speedy manner to give the Tully area of the Wet Tropics World Heritage Area the permanent protection it deserves.

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

FILM AND VIDEO GUIDELINES

Senator HARRADINE (Tasmania)—I ask that general business notice of motion No. 28 standing in my name for today, relating to film and video guidelines, be taken as formal.

Senator Panizza—There is objection to its formality, but we will not oppose the suspension of standing orders.

Leave not granted.

Suspension of Standing Orders

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

That so much of the standing orders be suspended as would prevent Senator Harradine moving a motion relating to the conduct of business of the Senate, namely a motion to give precedence to general business notice of motion No. 28.

Procedural Motion

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

That general business notice of motion No. 28 may be moved immediately and have precedence over all other business today till determined.

Motion

Senator HARRADINE (Tasmania) (9.45 a.m.)—I seek leave to amend the motion so that in paragraph (b) 'Wednesday, 8 May 1996' is deleted and 'Monday, 20 May 1996' in inserted.

Leave granted.

Senator HARRADINE—I move:

That the Senate—

(a) notes that:

(i) the Federal and State censorship ministers are currently considering a final draft of classification guidelines for film and video, and

(ii) once these guidelines have been approved by the ministers and gazetted, neither the public nor Federal or State Parliaments will have any say in this vital matter;

(b) resolves that there be laid on the table, by not later than immediately after motions to take note of answers to questions on Monday, 20 May 1996, by the Minister representing the Attorney-General (Senator Vanstone), a copy of the current final draft classification guidelines for film and video, to be made under section 12 of the *Classification (Publications, Films and Computer Games) Act 1995*, under consideration by Federal and State censorship ministers;

(c) welcomes the decision by some television channels not to proceed with violent movies scheduled in the fortnight after the Port Arthur massacre; and

(d) calls on the Minister for Communications and the Arts (Senator Alston) to ascertain in writing from the Federation of Australian Commercial Television Stations, the Australia Broadcasting Corporation and the Special Broadcasting Service details of recent steps taken by them concerning their television codes of practice and to table these details in the Senate.

The purpose of this motion is to require the tabling, by the Minister representing the Attorney-General in this chamber, of the current final draft classification guidelines for film and video. It also, inter alia, calls upon the Minister for Communications and the Arts, Senator Alston, to ascertain in writing from FACTS, the ABC and the SBS details of recent steps taken by them concerning their television codes of practice and to table these details before the Senate. The parliament, I believe, is entitled to these documents; it is particularly entitled to these documents post the Port Arthur massacre and the widespread view currently throughout the community that media violence has significant effects on behaviour patterns.

Had the Port Arthur massacre not occurred, I would still believe that the final draft guidelines for the classification of films and videos should be tabled in the parliaments prior to their being finally determined by the censorship ministers of the Commonwealth and the states. The reason that I say that is that we are in a totally different ball game at the present moment.

Last year this parliament passed a bill known as the Classification (Publications, Films and Computer Games) Bill 1995. It was a bill to provide a system whereby there would be a uniform approach to these matters of classification throughout the Commonwealth. Unfortunately, sometimes in these uniform approaches, the bureaucrats are the ones who seem to have the say. In this particular case, I believe that that is the situation.

I believe that it is absolutely essential that the public and the parliament do have access to this final draft so that the public can have an input. Once the censorship ministers decide the issue, then the parliament has no say at all. They are not disallowable instruments, and there is no say by the parliament in respect of this very vital matter.

There is a widespread view that videos reinforce and engender violent attitudes which, of course, trigger violent actions. Clearly, because of other influential variables, it is impossible to prove that the viewing of a particular video has been the direct and sole cause of the commission of a particular crime.

Of course there are other influential variables—and we all know that. There are other factors, including upbringing and treatment of the person concerned, and other aspects in the media as well—not to mention, of course, some of the sort of rap music that is part of the subculture at the present moment. That music, if you listen to it—and if you can hear it to understand it—has significant aggressive messages which are absorbed by the listener, mostly the younger listeners.

But there is a general and well accepted view that the media does play a significant role in behavioural patterns. Of course I am somewhat disappointed at some aspects of media reporting which seems to indicate that the current Attorney-General, Daryl Williams, is rather disputing the view of, say, Mr Howard. I refer in particular to an article in

the *West Australian* by Randall Markey from Canberra—and perhaps the Attorney-General might have something to say about this. Randall Markey reports Mr Howard as saying:

> "But it is hard to believe, speaking as a layman and certainly not as any expert in this area, . . . the repetitive, mind-numbing violence which is sometimes seen on television does not have a deleterious effect on some people."

The article goes on:

> But Attorney-General Daryl Williams disputed this.

Daryl Williams is said to have referred to:

> . . . the National Committee on Violence which analysed video violence after Melbourne's Hoddle Street and Queen Street shootings in 1987 concluded that childhood development and family history, rather than watching a video, prompted violence.

Then it goes on:

> But Professor Sheehan, a former head of the Film Board of Review, said there was evidence to link the watching of violent images with acts of aggression and violence.

I do not think that would come as a surprise to anybody. In fact, there has been a number of people, including academics, who have recently reaffirmed what has been their view over a period of time: that the exposure to violent films is linked to relationship problems and contributes to violence—and that was a reference by Dr Dianne Bretherton,

Director of Melbourne University International Conflict Resolution Centre.

But all of this is not new to us here because all honourable senators will have read the joint select committee report on video materials. No doubt, all honourable senators will have read the excellent reports that have come from the Senate select committee on community standards, which was so ably chaired by the Hon. Margaret Reynolds. You will all have read those reports and digested them. If you go back to them and to the report of the Joint Select Committee on Video Material, you will find it does deal with behavioural science studies in respect of this matter.

Item 13.10 on page 187 of the report on video material states:

> In Appendix 8 there is analysis of the claim that behavioural science studies in this area do not provide certainty.It notes that what science attempts to do is to establish theories which make reliable predictions about how the world works. If behavioural science, by rigorous academic tests, supported by clinical and correlational studies, establishes in this area of research reliable predictions of human behaviour, it would be unenlightened for parliament to ignore them.

I think that that is the essential thing. It would be unenlightened for parliament to ignore them. I believe that parliament has to have the material so that it can be aware of what the state Attorneys-General and the Commonwealth Attorney-General are considering as the final draft.

The draft guidelines were sent out for public consultation in October last year. There were a considerable number of responses. I believe that the responses were provided to Professor Sheehan so that Professor Sheehan could summarise them and provide a report to the ministers. Although it is not in this request, I would like a copy of that report and I believe that the parliament would also be interested in Professor Sheehan's report as part of the information.

I do not think that we should act in a manner which is based on pure emotion. I think that there has to be a very informed and guided approach to these particular matters. It is now past the time when people can say that adults should be free to read and see what they like.

If you have a look at the legislation that was passed—I let it go—it did say that the principle was that adults should be free to see, hear and read what they choose provided that children are protected from material that may be harmful to them and that everybody is afforded protection from unsolicited exposure to material that they consider offensive. That is the sort of principle that was established in 1973. As this document said and as our report from the Joint Select Committee on Video Material said at page 260:

> These principles have been supported by all governments since 1973. But when the principle that adults be free to see, hear and read what they choose was originally stated as public policy, the number of video tapes entering Australia was insignificant and there was not the widespread availability of objectionable video publications as exists today as the result of the flood of these materials into Australia. This principle is often stated but not

adhered to in practice since adults are not free to view video material depicting, inter alia, child pornography, bestiality and sexually explicit violent pornography as these are banned under censorship guidelines and prohibited from entering Australia under customs regulations.

By the way, this is no longer the case. The document continued:

The principle that adults be free to see, hear and read what they choose is dependent upon the pornographers—and I interpolate, the producers of violent videos—and their claimed right to freedom of expression, and the balancing of this claimed right against requirements fundamental to the common good which legislators are bound to uphold. The issue now is not whether there should be censorship, as was the case in 1973 when the principle was first stated as public policy but, in fact, where to draw the line.

I have the feeling that the public of Australia consider that the line is not adequately drawn and that there is a need to tighten up. We all become desensitised. As a member of the committee, along with Senator Margaret Reynolds and Senator John Tierney, the deputy chair, I know that you do become desensitised. You can watch extremely violent videos and extremely pornographic videos and, bearing in mind the guidelines, you think: should they go into that particular classification or should they go into that category? Of course, that is not how people watch videos. We all become desensitised.

I just wonder whether the public are satisfied with what is going on now because the director of the Office of Film and Literature Classification, Mr John Dickie, stated of the draft guidelines that they would have little practical effect. I believe that we need to have the final draft guidelines before us and we do need an explanation, hopefully through a re-established committee of which Senator Margaret Reynolds was the former chair and Senator Tierney the deputy. I hope we can have an explanation to the public through this committee so that we all know where we are going.

Finally, I can understand that there may be some reluctance on the part of the government or the Attorney-General to provide those final draft guidelines to us based on the agreement that there is between the Commonwealth and states in respect of censorship. I have read that agreement. I cannot see anything in there which would absolve the Commonwealth government from its obligations to the public through this parliament. I believe there is nothing in there that absolves the government of that obligation. I do ask that the Senate accept this motion so that we can go forward on the bipartisan approach that we have had on these very, very important matters.

Senator ALSTON (Victoria—Minister for Communications and the Arts) (10.01 am)—Many of the points that Senator Harradine makes in support of his motion are ones that are indeed supported by the government. Prior to the last election, we did announce that we would require, as a matter of urgency, broadcasters and all mediums to review current practices to ensure they comply with existing codes of practice and do not entail the excessive portrayal of violence or obscenity. In the last few days, I have written to the ABC, SBS and FACTS, asking them to review current program standards and to advise me of the outcome in line with the review which the Prime Minister (Mr Howard) announced several days ago. The Prime Minister has established a small group of ministers to bring together all the material which is available to the government, to talk to relevant people in the community and to reach a commonsense approach on the issue of violent videos, violent movies and violence on television. The terms of reference of that committee are contained in a document which I seek leave to incorporate.

Leave granted.

The document read as follows—

COMMITTEE OF MINISTERS ON THE PORTRAYAL OF VIOLENCE

The Committee of Ministers will

(a) examine recent studies, both within Australia and internationally, on the linkages, if any, between violent behaviour in adults and/or children and the availability of violent material on television, film, video, video games and computer games.

(b) investigate community expectations about the availability and accessibility of violent material in the above-mentioned mediums

(c) in the light of (a) and (b) above, determine whether there is a need to

(1) revise current censorship classifications to identify more accurately such violent material

(2) alter current restrictions on the production and importation of such material

(d) examine the relationship between the operation of the classification system and the regulation of material for television and radio transmission, and recommend any change to current practices

(e) investigate the availability and effectiveness of current technology, such as the v-chip, to restrict access to such material on television and other media

(f) examine any measures that are being or should be taken by the national and commercial television broadcasters to review and/or update their current codes of practice in relation to the portrayal of violent material, including its portrayal in news and current affairs programs

(g) recommend on any public education campaign that may usefully be undertaken in this area.

Senator ALSTON—The members of that committee are me as chairman, Dr Wooldridge as Minister for Health and Family Services, Mr Anderson as Minister for Primary Industries and Energy, Ms Moylan as Minister for Family Services, Mr Williams as Attorney-General and Minister for Justice, and Mr Miles as parliamentary secretary assisting the cabinet.

On the matter of substance in Senator Harradine's motion, I am advised by the Attorney-General that, as the classification scheme is a national cooperative one, an agreement from all participating ministers is required before a decision to release the guidelines is made. Responsibility for the Office of Film and Literature Classification falls within the Attorney-General's portfolio. The OFLC advises that the draft guidelines are currently under consideration by the Standing Committee of Attorneys-General. The policy of that committee is that such drafts are confidential. The draft is based on an earlier draft that was widely distributed for public comment. The draft was considered at the March meeting of SCAG, but was not finalised due to the need for further policy consideration relating to the ACT proposal concerning an E classification for nonviolent erotica. The draft is also currently the subject of out of session correspondence between state Attorneys-General and will go to the July meeting of SCAG.

I am further advised that the Commonwealth classification act provides that the guidelines, and any subsequent changes to the guidelines, are to be agreed upon by all participating ministers before being formally determined in the *Gazette* and tabled in the federal, state and territory parliaments. I did have discussions with Senator Harradine on the matter. I did ask Mr Williams's office to again contact each of the state Attorneys-General. My understanding is that, virtually to a person, they maintained their current position. They say that the revised draft guidelines were circulated to complainants to the OFLC over the previous two years and that the matters are still currently under consideration.

There were 148 submissions received. These have been analysed and recommendations have been made by an independent expert, Professor Peter Sheehan, the Pro-Vice-Chancellor of the University of Queensland. Following his input, the revised draft guidelines were distributed to ministers for discussion at the March 1996 meeting. Substantial agreement was reached. However, it was agreed that some matters would need further consideration and it was agreed to hold the matter over for discussion at the next meeting in July.

On this basis, and on the basis that the draft guidelines are a joint state-Commonwealth document, I am advised that it would be inappropriate to table the documents requested by Senator Harradine. I do hope, however, that Senator Harradine and other senators acknowledge that the government has taken a very pro-active stance on this matter and we are very anxious to progress down the lines that I think Senator Harradine has in mind.

Senator BOLKUS (South Australia) (10.05 a.m.)—Three months ago the now government would have been arguing very strenuously for the tabling of these documents. We as a government probably would have sat there and said, 'With good reason,' because what we have had here is a process which has gone on for quite some time: a process where the drafts of the past have been made widely available to all and sundry. We would not have argued. It would not have been all that

difficult to have tabled these documents. I was looking through some of the documents in my office this morning to see if we had them to table today, Senator Harradine, but unfortunately we do not have them. We think this is a reasonable request. It is reasonable for us and, of course, we support Senator Harradine's motion before this chamber.

I am afraid to say that what we are seeing here is another example of how the government has had problems in transition to government. They have taken this approach in respect to these documents, which reflects a stubbornness which really is not justified. It is a stubbornness which is, in a sense, born of arrogance. Having won an election, they are now over there and they think, as Senator Vanstone said the other day, 'We will only give you what we want to give you.' The discarding of all grounds of reasonableness, all grounds of public interest and all grounds of fairness is the attitude that I think has been taken in respect of these documents.

We know there is a division on the other side between the Attorney-General (Mr Williams) and Senators Hill and Alston. We know that Senators Hill and Alston have been a bit more flexible than the Attorney. But the message obviously has not got through to the executive that the Senate is a function of government, is an equal partner in government. A lot of those arguments that the opposition ran for the last 13 years are probably relevant with respect to this.

In supporting Senator Harradine's motion this morning, let me place on the record that in doing so we do not in any sense agree with all the arguments he might put forward in respect of censorship, nor would he expect us to take that position. For instance, we on this side of the parliament think there is a pretty good system in place. From time to time it does make mistakes. The recent episode with the *Hustler* magazine is an instance where the system made a mistake. It has been acknowledged by the Chief Censor that a mistake was made in that regard. But we think we have in place a system which balances fairly well the interests of all.

Senator Harradine says he does not believe in the principle that adults should be able to read and see what they want. We disagree with him in respect of those views. But we also argue that there needs to be effective censorship to protect, for instance, children and to protect people in extreme cases. That is the way the system should be working.

Going back to these documents, it was interesting, as I said, when going through some of the paperwork this morning, to compare the attitude taken today with the attitude that has been taken with respect to guidelines for classification of films and videos and the drafting process in the past. One document I was able to find was a document from John Dickie, the Chief Censor, dated 29 September 1995. He sent out to colleagues and, I presume, state jurisdictions and ministers, the then stage of the draft documents. He talked about how the Office of Film and Literature Classification had obtained an independent analysis on the readability of the current guidelines from Dr Judith Bowie. He then talked about the next step of making those draft documents widely available for public comment.

If you think about it seriously, when you add up the number of state jurisdictions, the number of officials and authorities that might have these documents now, you could probably argue there were 100,000 or so copies of them around the country. It is not just the ministers in every state who have got them, it is the bureaucrats in every state. It is not just senior bureaucrats in every state, it is junior ones as well. It is an enormous contradiction to argue they can have them when people elected to the federal parliament, to the Senate, cannot have access to those documents. So we see a contradiction and an inconsistency there.

We defend the process that involved Professor Peter Sheehan giving an assessment and advice to the ministerial council, SCAG. We defend the process that has taken place so far. But we argue there is no conceivably good, rational reason to deny the Senate access to these documents now. As I said, we do so with the knowledge that we do not agree with Senator Harradine on a lot of his attitudes here, although we do agree with his concerns. I think he knows me well enough to know

that I do share some of his concerns. But we also support this motion. In doing so, we send a message to the government: don't suffer amnesia on your way across the chamber. Don't forget all those arguments that you used to run when you were on this side. You not only used to run them but you used to get so terribly emotional about them. You used to ensure that the Senate would sit on, hour after hour, discussing matters that are now irrelevant to you, but which were of such deep constitutional concern in those days.

If you look at our record on the production of documents, there were very few circumstances in which we did not produce documents. In those circumstances, there was a system in place for most of those documents to be considered by representatives on either side. The grounds on which we often refused were commercial confidentiality or cabinet-in-confidence in respect of some documents. History will show we were quite reasonable.

I repeat that we support Senator Harradine's motion. Unfortunately, I have not been able to get the documents for you yet but we will keep trying. I am sure that our support for this motion will give you a bit of a kick along the way.

Senator SCHACHT (South Australia) (10.12 a.m.)—Like my colleague Senator Bolkus, I rise to support the general thrust of Senator Harradine's motion—although, as Senator Bolkus said, we do not support some of the end points that Senator Harradine would like to achieve. We would not support making these guidelines a disallowable instrument within the parliament, because once that occurred you would have an ever increasing cycle of the lowest common denominator, as various senators or House of Representatives members outdid each other to curry favour with a particular sectional interest group on either side of the censorship debate in the community. So we would not support those guidelines, after the consultative process with the community, once approved by the Standing Committee of Attorneys-General, being a disallowable instrument, if that is the final point you wish to achieve.

However, we do believe it is not unreasonable that those documents—now that they have been, as Senator Bolkus pointed out, widely circulated to all Attorneys-General and, obviously, a whole range of bureaucrats in state and federal government departments at a pretty low level—be made public, after the several months of discussion that have taken place. That would be part of the debate which we always would support.

I say to Senator Harradine: you and I probably in some areas of the censorship debate may have, to say the least, a marginal difference of opinion about what should or should not be allowed in some areas. But one area on which we have always agreed is the issue of the depiction of violence. One reason that I have risen to support Senator Harradine's motion is that in paragraph (c) he notes the decision by the television stations not to proceed with the televising of violent movies in the week or so after the terrible events at Port Arthur.

As shadow minister for communications, I have, like you Senator Harradine, noted that decision. I have already written to the Commonwealth Chief Censor, Mr Dickie, asking him to discuss with the television stations their decision not to show these movies in the weeks after Port Arthur because a program director said it would not be in good taste. If it was not in good taste in the week after Port Arthur it is not in good taste full stop. If they have been arguing with Mr Dickie to get certain classifications to show those movies when they think they ought to be shown, and now they say, 'There are circumstances in the community when we do not want to bring criticism on ourselves or look too callous or whatever so we are going to take them off', it is only appropriate that Mr Dickie have a serious discussion with them about those programs full stop.

Last week I noticed that some of the movies that were taken off television were in the *Rambo* style. My main concern—it is a concern I have always expressed in this area; I agree with Senator Harradine—is that those movies have an indiscriminate attitude towards the use of guns and violence. In those movies the characters, both the good and the bad, shoot off 10,000 rounds of ammunition and no-one seems to get wounded or hit other

than in a nice way. You do not see lots of blood and gore. You do not see the awful consequences of someone being machine-gunned. You just see a body fall over. They are almost like cartoon characters.

I believe that if you are going to depict what these guns do and that level of violence, people have to see that the consequences of that are not a nice thing that you can just avoid. It appears to be good fun; you can just spray these bullets around. That is an important issue. Those types of movies are of most concern to me—what I call the '*Rambo'* movie. They create a culture of violence, where people do not fully understand the consequences of what happens when you let go with thousands of rounds of ammunition.

One of the movies, I understand, that was taken off because it was not considered to be in good taste was a well-known American movie called *Goodfellows*. The story was based on actual events that took place within organised crime in New York in the 1960s and 1970s. It certainly had terribly violent scenes in it—I saw the movie—but you saw the consequences of the violence. You were easily able to understand that the men involved were evil, they were bad. The violence they were involved in was very, very nasty. I think that movie is different from what I call the *Rambo* movie, because in the story people see a consequence to the violence that depicts what has gone on in our society. So I a draw distinction for that movie.

I got into a debate the other night on Adelaide radio with representatives of the Festival of Light about the issue of violence—

Senator Ferguson—It wouldn't be the first time!

Senator SCHACHT—Not for the first time and probably not for the last. As I pointed out to them, there are scenes in the movie *Schindler's List* that are unbelievably violent and awful. For example, who can ever forget the scene in *Schindler's List* where the camp commandant stands on the balcony after sleeping with his mistress and for breakfast uses a sniper rifle to indiscriminately shoot down some of the inmates of the concentration camp? That actually happened; it is an historical fact. I do not think anybody who saw that would go away with a view that violence is good or something that we ought to applaud. When I saw it, in a movie house in Adelaide, I was sickened by it. The gasping in the audience meant that they were all sickened by it, too. It had the effect that I think the director wanted—to point out just how horrible the Holocaust was and what happens when evil people get together and have unlimited power to do that to other human beings. I would not ban *Schindler's List*. I believe that under certain restrictions it should be seen by everybody.

Senator McGauran—What about *Salo*?

Senator SCHACHT—*Salo* I would restrict, as the film censor has, to R-rated, limited to cinema and not to be shown on television. I think there is a different case there. I overwhelmingly support the film Chief Censor Mr Dickie and his staff and the members of the Office of Film and Literature Classification. Generally they have done a good job in balancing the interests of the various groups in our community, with their various views. To let *Salo* be shown as an R-rated movie under certain restrictions in a cinema was a reasonable decision, rationally taken. The classification for *Schindler's List* is a reasonable classification. I may disagree with them in that allowing some of what I call the *Rambo* movies to be shown on television is not exactly my view. But then my view is only one.

Senator Harradine and I have a difference about this, but I think Mr Dickie and his board and his committee have done a very good job for Australia. I would hope that Mr Dickie, after discussions with the film stations about the episode last week where they took off the programs, can indicate that there is going to be some tightening up for television. If you classify a *Rambo* style movie as an R-rated movie to be shown only in a cinema, where it is much easier to control who goes to see it, that is different from putting it on television, even at a later hour of the night when clearly people do have some ability to see the movie and under-age people cannot be completely stopped from seeing it, and it is harder to control.

I note in America in the last couple of years the use of the so-called V chip, a decision of the US Congress to put into every television produced in America now a microchip that enables the owner of the set, when the classification of a movie or program is given, to automatically stop that program from being broadcast on their television set. So if you have younger children they cannot, even if you are not home, turn on the set to see a violent movie or a program you do not think they should see.

I believe the idea of the V chip has a lot to commend it. It has now been made an industry standard for television sets in America. It is not an issue in America that is without some controversy but it is worth looking at for the future. We in the opposition never resile from the fact that parents should have the right to control what their under-age children see and what material they get access to. That is another issue for the committee that is now being put forward.

I notice that the minister, Senator Alston, has tabled the terms of reference of the committee on the portrayal of violence. I have not had a chance to look in detail at the reference but I notice that reference (e) is to the V chip technology. We would support that. Reference (c) states:

in the light of a) and b) . . . determine whether there is a need to

1) revise current censorship classifications to identify more accurately such violent material

That is a reasonable term of reference—

2) alter current restrictions on the production and importation of such material

Obviously, No. 2 would follow No. 1. These are not unreasonable terms of reference about violence, but I have not had a chance to look at them in detail. Most of the members of the committee picked themselves: Senator Alston, as the minister for communications, Dr Wooldridge for health, Mrs Moylan for family services and Mr Williams as the Attorney-General. I am not sure that Mr Anderson, as primary industry minister, has the right portfolio description to be involved in this area but I suppose someone from the National Party had to get a guernsey and, perhaps, as Deputy Leader of the National Party he was the first to put his hand up. In itself, it is probably not a bad thing but it is a bit odd having primary industry represented on the committee.

Finally, Mr Miles, as parliamentary secretary to the cabinet, probably has some justification for being there because of that position. But I have to say that I do not think Mr Miles, on his own description, would say he is a particularly unbiased person about these issues relating to censorship, family values and so on. He has been quite a partisan presenter of those views—which he is fully entitled to have.

Senator O'Chee—We would say the same about some of your people.

Senator SCHACHT—Of course. I suspect that if I was minister for small business and was on the committee you might say that it was a bit of an odd thing for small business to be involved in but, as customs minister in charge of the powers of importation into Australia, that would be reasonable. You might say, Senator O'Chee, that I have strong views on censorship—

Senator O'Chee—As is your right!

Senator SCHACHT—As is my right—and as it is Mr Miles's right. I just note that he has been a very partisan advocate of certain views in this area. Overall, I welcome the committee and its terms of reference, although I have not had a chance to study them in detail.

Mr Dickie, as Chief Censor, and the Film and Literature Board of Review often get strongly abused for the fact that they have separated violence from erotica. I think that view is very sensible and I support the way they have gone about it. When I was debating on radio in Adelaide last Sunday night with representatives of the Festival of Light, we agreed that the issue of violence had to be dealt with. We all had concerns. But they then put what they call pornographic X-rated videos into the same category. I do not believe they are in the same category.

Mr Dickie makes it very clear in all his statements to committees of the Senate and this parliament that it is non-violent erotica that is classified. He does not give a classifi-

cation to violent erotica. That means that if you distribute it or have access to it you are acting illegally and can be prosecuted accordingly. He argues at great length, and I support his argument, that if X-rated erotica shows adults consenting in sexual activity it should get an X classification.

Some people might not like seeing this material, they might find it distasteful. They do not go and buy, hire or rent those videos. But, obviously, a significant number of Australians do from time to time hire those X-rated videos. The evidence I have heard in Senate committees is that if people watch X-rated non-violent erotica they do not automatically go out and commit crimes in the community.

I strongly support Mr Dickie's view that violent erotica should be banned. We should not be showing and classifying material that clearly depicts illegal activities under the law in Australia. I believe the film and classification office has done an excellent job in separating those issues, and I support them in that area.

I do not believe you can say that the dreadful events in Port Arthur are a result of somebody watching a non-violent erotic video. That person may have had access to violent videos but, even then, one has to be very careful about saying that this is the thing that made the person who is now being charged—the perpetrator of those events—do those things. In the history of civilisation, people were committing terrible crimes of violence against others long before they had access to written, film or video material. We should keep that in balance.

The opposition supports Senator Harradine's motion. I encourage the film censor, Mr Dickie, to take up paragraph (c) of the motion with the television stations and to make a more relevant classification for what I would call the violent Rambo-style movies. I believe that is an issue.

I also believe that it is not unreasonable, as the motion suggests, to have the documents tabled and available for scrutiny now that they have been widely circulated around the place for several months. In saying that, however, the opposition wishes to make it clear that we do not believe those documents, in the final decision, should be made disallowable instruments of this parliament.

Senator SPINDLER (Victoria) (10.30 a.m.)—The Australian Democrats will be supporting Senator Harradine's motion. The tragic events in Port Arthur have sensitised the whole community—and we are no exception—to the culture of violence that is promoted in various ways in our community. In supporting Senator Harradine's motion, we in no way resile from the statements we have made supporting stricter gun controls, and we trust that the meeting of federal and state ministers on Friday will result finally in a comprehensive scheme. If not, the Democrats will be pushing for a referendum to give the Commonwealth adequate powers.

In doing that, we are not saying that that is the only remedy for tragic events such as the one that happened in Port Arthur. Senator Harradine quite rightly said that the debate cannot proceed and that decisions cannot be made unless and until the material is available to this chamber and to other people more generally.

In supporting Senator Harradine's motion, we do not necessarily telegraph what our final decision will be on the various classifications or which material should or should not be allowed to be shown either on television or in theatres. Suffice it to say, there is increasing evidence that movies and television features depicting violence are connected with people later perpetrating acts of violence. This should make us aware of the need to give very careful consideration to that material and to also restrict its showing. The Democrats will be supporting Senator Harradine's motion.

Senator HARRADINE (Tasmania) (10.33 a.m.)—I hope to be reasonably brief. I acknowledge the comments that have been made, and I understand the view that has been taken by Senator Alston. He indicated that there is some problem as a result of the intergovernmental agreement on the matter following the Classification (Publications, Films and Computer Games) Bill 1995 being passed by this parliament. I want to say two things about that, and I will come to that very shortly after I have acknowledged the contri-

butions made by Senators Bolkus, Schacht and Spindler.

I do not quite know what Senator Bolkus meant when he said that he did not necessarily agree with what I said in my speech. I just wish to say this: when people make those general statements—and I have heard those comments previously; they say, 'I disagree with Senator Harradine'—could they please identify those matters with which they disagree. Do not take that general broad brush approach when I am standing up for the many people who have suffered discrimination because of their religion, ethnicity or something else.

I would like honourable senators, when they say they disagree with me, to say precisely how they disagree. I defy any senator in this chamber to stand up and say that I have adopted any approach other than one which is consistent with attempting to come to grips with public policy issues by rigorously analysing the facts and by coming to a decision based on values that are generally supported by persons of good will.

The same applies to Senator Schacht, although his speech was a little more specific. In future, in any debate, I would like honourable senators to say how they disagree with me and what the basis for that disagreement is, and I hope we can then have a meeting of minds.

Senator Bolkus said that he agreed with the principle that adults should be free to read and hear what they like. He does not, because he has consistently supported legislation which does the opposite. I took the trouble to explain what was set out in the report of the Joint Select Committee on Video Material. It is there. I have read it and I will read it again. It says:

> When the principle that adults be free to see and hear and read what they choose was originally stated as public policy, the number of videos entering Australia was insignificant and there was not the widespread availability of objectionable video material, video publications as exists today as a result of a flood of these materials into Australia.

And then it said this:

> This principle—
>
> that is to say that adults be free to see and hear what they choose—
>
> is often stated, but not adhered to in practice since adults are not free to view material depicting, inter alia, child pornography, bestiality and sexually explicit pornography as these are banned under censorship guidelines—

which Senator Bolkus supported. So how can he say that adults are free to read and view what they wish?

Let us deal with these matters as a matter of principle. We do need to have a united and bipartisan approach to these particular matters. Senator Bolkus did say today that he agrees with the current system. Therefore, by agreeing with the current system which has refused classification to child pornography, bestiality, and so on he does not support the principle that adults should be free to read and view what they wish, because they are absolutely banned.

Senator Schacht indicated his view about a number of matters. I would like to hear how people disagree with me so that we can a have a meeting of minds. There is no suggestion in what I have said that the guidelines should be disallowable instruments in this parliament because I assume, with a federal-state arrangement, they would need to be disallowable instruments in every other parliament. I agree that that would be so cumbersome as to make it unworkable.

Senator Schacht then raised the issue of—I don't know why; I thought we had been talking about video violence—pornography, or, as he calls it, non-violent erotica. What he means by that, of course, is described in the report to which I referred. It says:

> The dominant theme of this material also said it objectifies and commodifies women rather than treating women as free and responsible initiators of human activity. The material in this category, although non-violent, treats women as sexual commodities to arouse the sexual desires of its target audience. Thus, sexual intercourse is typically depicted as a mechanical act devoid of love or human consequences—
>
> The bulk of all pornographic video materials commercially available in Australia falls within this category. The committee, as did the Meese commission, also refers to this material as degrading in that it frequently depicts people, usually women, as existing solely for the sexual satisfaction of others,

usually men, or that it depicts people, usually women, in decidedly subordinate roles in their sexual relationships with others, or that it depicts people engaged in sexual practices that most people would consider humiliating.

Women are often depicted as sexually malleable for the purpose of satisfying male sexual desires. This is sometimes manifested by themes involving workplace sexual practices and favours. Women are frequently depicted as eager for sexual experience of any kind and ever ready for any opportunity for sexual activity. This is frequently manifested in group sex scenes depicting diverse sexual activity and which are a feature of much of the material in this category.

If you call that erotica, you do not know what you have been looking at. I did not raise that matter; Senator Schacht did. If he has a thing about it, a fixation about the matter, that is his problem.

I do believe that we ought to know what this material does. This committee looked at the social and behavioural science research in these particular areas and found that the exploitative material does have an effect on the viewers. I suggest that you read this particular document. There is, of course, self-reporting by persons who are convicted of rape of having enmeshed themselves in this material. There is, of course, violent sexual material available in published form. Putting the two together, no doubt you get a greater effect.

I also would like to know why Senator Schacht wrote to John Dickie about television. I would have thought that he would have written to the Australian Broadcasting Authority. That is the relevant authority, rather than the Office of Film and Literature Classification. Naturally, the Office of Film and Literature Classification does assist in respect of establishing classifications of particular films but, in regard to the activities of commercial television stations, the Australian Broadcasting Authority is the authority. Senator Schacht is now the shadow minister for that area. Maybe he should get over his shadow portfolio.

I thank the Senate. I come, very briefly, to what Senator Alston said. He is suggesting that because of the inter-governmental agreement there is a problem. I come back to the point that I made initially. I do not believe that the government could or has entered into an agreement with the states which would absolve the government from its responsibility and answerability to the public through this parliament. That is all I am seeking at the present moment. That is all the Senate is seeking—to have these final draft guidelines, and I emphasise that, tabled in the Senate so that we can finally see the proposals and they can be considered, I hope, by a committee of this parliament and the public then can be made aware of the precise meaning of those guidelines on violence in videos et cetera in this country.

Question resolved in the affirmative.

ORDER OF BUSINESS

BHP Petroleum

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

That general business notice of motion No. 11 standing in the name of Senator Margetts for today, relating to a review of BHP Petroleum's offshore safety arrangements, be postponed till 21 May 1996.

RESTITUTION OF PROPERTY TO KING ISLAND DAIRY PRODUCTS PTY LTD BILL 1996

First Reading

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

That the following bill be introduced: a Bill for an Act to restore property to King Island Dairy Products Pty Ltd.

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

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

Bill read a first time.

Second Reading

Senator BELL (Tasmania) (10.48 a.m.)—I move:

That this bill now read a second time.

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

Leave granted.

The speech read as follows—

Australians are justly proud of the fine quality food products originating from King Island. A couple of decades ago, the dairy on King Island had degener-

ated and been reduced to the point where it was only able to produce generic milk products. The factory was unable to compete with producers who were closer to their markets because the product was not the result of sophisticated downstream processing and therefore had a low unit value.

In the early 1980's, Mr Bill Kirk and his family brought to the King Island dairy a significant personal investment and a capacity to develop new products. The family also brought their initiative to market those products effectively. The Dairy invested in machinery and infrastructure to produce these creams, cheeses and other gourmet products which have gained such a deserved, fine reputation throughout Australia and in fact, throughout the world.

These admirable developments took place against a background of real problems in rural Australia and ain particular, dairying Australia.

Unfortunately the Tasmanian government was unable or unwilling to recognise the initiatives of the Kirk family's King Island Dairy Pty Ltd. Nor was the Tasmanian government able to recognise the market potential of the new products.

At the height of the dairy's surge into prosperity, the Tasmanian government saw fit to foreclose on a relatively small loan which had been advanced to the enterprise. The dairy was subsequently placed into receivership and sold for a pittance. Within a very short time the dairy was sold at a great multiple of the price paid to the receivers. The Kirk family believes they have been unjustly treated. Many attempts have been made by them and on their behalf to draw attention to the injustices.

This bill constitutes an attempt to redress the unjust treatment the Kirk family has been subjected to. In essence, the bill provides for the restitution of property to the Kirk family's company, King Island Dairy Products Pty Ltd.

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

ELECTION CAMPAIGN MATERIAL

Senator REYNOLDS (Queensland)—I ask that general business notice of motion No. 10 standing in my name for today, relating to election campaign material, be taken as formal.

Senator O'Chee—Mr Acting Deputy President, the government objects to it being taken as formal, but will not oppose a suspension of standing orders.

Leave not granted.

Suspension of Standing Orders

Contingent motion (by **Senator Reynolds**, at the request of **Senator Faulkner**) agreed to:

That so much of the standing orders be suspended as would prevent Senator Faulkner moving a motion relating to the conduct of the business of the Senate, namely a motion to give precedence to general business notice of motion No. 10.

Procedural Motion

Motion (by **Senator Reynolds**, at the request of **Senator Faulkner**) agreed to:

That general business notice of motion No. 10 may be moved immediately and have precedence over all other business today till determined.

Motion

Senator REYNOLDS (Queensland) (10.50 a.m.)—I move:

That the Senate—

(a) condemns the use of any racial material to manipulate public opinion during election campaigns;

(b) reminds parliamentarians that they are elected to represent all of their constituents and that it is totally reprehensible for any parliamentarian to announce they will refuse to represent a particular group; and

(c) considers developing a code of race ethics to be observed by all members of the national parliament in the interest of community harmony.

I have moved this motion because the Senate has a responsibility to set standards on the way in which debates are conducted during election campaigns. Such occasions are particularly volatile times for all of us. We all feel more strongly about issues in the period leading up to elections and during the election campaign when we all say things in our strongest and most political tones and terms. However, I do believe that we have certain responsibilities as parliamentarians. I believe that anyone standing for political office has a responsibility to set certain standards in the debate.

While there will be a lot of discussion about the election campaign of March and, indeed, its outcome, I really do not want to make this a particularly political debate. If the Senate bears with me, I will explain why. I do not want to use this as an occasion for point

scoring against the new government, or indeed against individual candidates or subsequent members. I want us to debate the principle that anyone who seeks political office and anyone who is subsequently elected does indeed have a responsibility to set standards of debate and not be opportunistic in using disadvantaged groups to promote their chances for election.

The first part of my motion is that the Senate condemn the use of any racial material to manipulate public opinion during election campaigns. I want to make it absolutely clear that I am certainly not accusing anyone in this chamber of doing that. But we are all aware that there were elements of racism in the election campaign. It is important that we now debate this honestly and recognise that there were candidates who used racial overtones in some of the material and statements that they made.

I think this sort of thing lowers the tone of debate in an election campaign. What is more important is the damage it does to the very tenuous race relations in the Australian community. Senators who live in cities in Australia may not be as familiar as I am, living in a northern regional centre, with the sensitivities of race relations. I know that my colleague Senator Bob Collins, and I believe my colleague Senator Tambling, would be very sensitive to the very fragile nature of race relations in northern Australia.

When leaders in the community, people seeking political office or people who have the ear of the media make statements that can or may be termed by some as racist—and I use that word advisedly—then we lose control of how those statements will be used by certain extremist groups in certain communities. That is why I think as responsible parliamentarians we have a special obligation to work in harmony across the chamber and across political party lines to deny racism in election campaigns and to deny racism in our debates be it in this chamber or out in the community.

We must not stoop to the temptation of doing what certain candidates and elected members have done in the past. I would not necessarily accuse them of deliberately seeking to divide the community. They do not realise the strength of some of their comments and how they will be interpreted. The first part of my motion states that the Senate:

(a) condemns the use of any racial material to manipulate public opinion during election campaigns . . .

One of the groups in society that I am most critical of in this regard is talkback radio hosts. I should say 'certain talkback radio hosts' because I would not say that all of them are guilty of this. I would not deign to name talkback radio hosts because why give them further publicity.

There are talkback radio hosts in this country who seem to think that they have the right to perpetuate some of the myths and prejudices in society without doing any homework whatsoever—without getting the facts of the situation. They think that they can just allow their own prejudices to run riot across the airwaves and that they can encourage the community debate so that all the basic information, the statistical data and the knowledge that we in this place have, is considered irrelevant. I blame many of the irresponsible talkback radio hosts for the way in which they conduct debates.

You only have to listen to Sandy McCutcheon's ABC program to hear the way in which a talkback program can be run responsibly. I have never met Sandy McCutcheon, but if I had I would not know his views on any subject that he has had debated on his program. He is absolutely professional. We do not know his views nor should we. The point of talkback radio is for individuals to have their say. It is not the role of talkback radio hosts to perpetuate myths and to lead debate in the way many irresponsible talkback radio hosts do.

I think some of the negative attitudes in the community relating to racial issues have been fostered by talkback radio hosts. I think that we all have to be aware of that. I do not know what can be done about it because we have a right to freedom of expression in our society. I would like to issue a challenge to Australia's commercial talkback radio hosts to adopt their own code of ethics—to focus

on the facts, to act as professional hosts and to not lead the debate with their opinions.

I believe the first part of my motion would have the support of everyone in this chamber and I hope everyone in the other place as well. The second part of my motion states that the Senate:

(b) reminds parliamentarians that they are elected to represent all of their constituents and that it is totally reprehensible for any parliamentarian to announce they will refuse to represent a particular group . . .

I guess all of us in this place and in the House of Representatives would wonder why that point has been included in this motion because I am sure that the majority of us understand that. I remember that, very soon after I was first elected to this place, I had an appointment with a gentleman who walked in the door and said, 'Senator, I have to confess I did not vote for you, but I would like you to help me.' I had to explain to him that how he voted was his business and that my job was to represent the interests of all of my constituents.

I am sure that each and every one of you have had constituents or lobby groups approach you who might be a little tentative about doing so because they are not necessarily of your ideological persuasion. We need to remind ourselves that, whomever it is and whatever their views are, it is our job to represent all of our constituents and to listen to all lobby groups. That is the nature of democracy. In this place I have seen tabled in my name petitions that I do not agree with. If a constituency group asks me to present a certain petition, it is my obligation to do so.

I want to maintain my commitment to keep this debate as low key and as informed as possible without political point scoring, but it concerns me that the new member for Oxley, Pauline Hanson, has said publicly that she will represent all her constituents except the Aborigines and Torres Strait Islanders. Maybe she genuinely thought you can pick and choose whom you represent. You cannot.

Some of the comments that have been made in the run-up to the election campaign and indeed since are very hurtful to that particular group. It is totally unacceptable and, as I say in the motion, reprehensible for any parliamentarian, even someone who may not comprehend the scope of the task of being an elected member, to suggest that they cannot represent a particular group. We can criticise particular groups. We can disagree with particular groups. We do this all the time. It is a question of open debate about a wide range of issues. But to not listen and put forward the views of a particular group is unacceptable. I hope the second part of my motion will be accepted.

I understand from discussions with Senator Short, Senator Tambling and Senator Herron that the government is concerned about part (c), which is:

consider the development of a code of race ethics to be observed by all members of the national parliament in the interests of community harmony.

It is broadly worded. It is vague. It is deliberately so because I believe that it is in principle an agreement we need to reach today. We need to develop a code of race ethics for all parliamentarians. It is not up to Margaret Reynolds, or anyone else on this side of the chamber, to say what will be in the code of race ethics. If it is going to be successful, acceptable and adopted by all of us, we need to consider on a cross-party basis what should go in it and how we can develop it, and then bring it back for debate, amendment and different considerations.

I say to those who say this part of the motion is too vague and they do not want to support it to please not worry about the vagueness. It is deliberately vague so that we can all contribute ideas for developing a code of race ethics. I understand Senator Chamarette is not convinced that codes of ethics work. She may be right, but I think we have this basic leadership responsibility to set standards in terms of debate about racial issues and debate about the kind of Australia we want to have.

Australia has always valued its diversity. We have always been proud of the nature of our multicultural society. Yet in the last few months there has arisen, I believe partly because of an election campaign—we all get carried away in debate in the lead-up to an

election and subsequent commentary—talk about ending debate that is politically correct. I wonder what 'politically correct' means. To me, it is a meaningless term. All debate is political.

As parliamentarians, we have an obligation to make sure that what we say is correct in terms of the facts. But it worries me that, if you raise the issue of indigenous people's rights to their land, certain people say, 'End of story. No more political correctness, thank you very much.' You say, 'Hang on, I just wanted to talk about an issue—an issue of social justice.' Equally, if I ask what someone's view is about the rights of people with disabilities, they say, 'Oh, no. We're not talking about that. It's politically correct.'

Tessa Morris-Suzuki, a professor at the Australian National University, has described political correctness in an article—it is not dated, I apologise—called 'PC: a scapegoat gone feral'. I very much enjoyed and agreed with her article. She says political correctness has become a useful term in political debate, just as the word 'fascist' or 'communist' used to be used. It is one term that can end discussion. She says:

> It is the intellectual equivalent of a Post-It: a neat little label which gives its users an illusion of having disposed of issues that they have not even begun to think about. Worse still, it is starting to smother any meaningful debate about appropriate ways of dealing with the real problems of prejudice, discrimination and social injustice which still clearly exist in our society. It has become, in short, an obstacle rather than an aid to intelligent discussion . . .

I do hope that we can take the term 'political correctness' for what it is and say that we want to ensure that any debate will be political and that any debate must be factual. But let us not use it as a barrier to discussing difference and diversity on a range of issues that we all have opinions about. If, as a society, we start to narrow the agenda and say that we have all got to work within a particular given framework of how Australia should be seen, we will lose the creativity and the inspiration that has made us such a strong and diverse community. That is very important.

Finally, I would like to emphasise just how important it is for parliamentarians to lead in regard to a code of race ethics, regardless of who may be responsible for certain attitudes in the community—and that is a very complex issue which I do not intend to canvass now.

As a result, it would appear, of some of the racial debate in the election campaign and the subsequent racial debate, complaints of racial hatred towards Aborigines and migrants have jumped 70 per cent since the federal election in March in Queensland. The Queensland Human Rights Commissioner, John Briton, reported this on 18 April. This rise is due to a range of issues, and I am not going to address them because I am trying to keep aside some political differences in regard to policy issues. But, in asking for support for this motion, I want to emphasise that we must remember that what we say in here and toss across the chamber, what we say in interviews and what we say at meetings and in speeches to various groups ultimately affects the way certain extremists in our society respond to the issue of racial harmony.

I believe everyone in this chamber supports reconciliation. Certainly, the leaders of the various parties and we on this side of the chamber have indicated, in our support for the establishment of the Council for Aboriginal Reconciliation, that we do support reconciliation. We do want racial harmony in our society. We do recognise the injustice that has been done to the original inhabitants of Australia and that there does have to be a coming together—with an agreement, a treaty, a document that we hope will come out by the year 2000—to put the past behind us and to reach agreement with indigenous people. Therefore, as we have agreed on reconciliation, I believe we should agree on the need for a code of race ethics.

The dates 27 May and 3 June are two very special dates in relation to indigenous people in this country, 27 May being the anniversary of the 1967 referendum and 3 June being the anniversary of the historic High Court decision in the Eddie Mabo case recognising native title. Reconciliation Week will be an occasion for the Parliamentarians for Reconciliation group to re-form and to look at ways in which we within the parliament can pro-

mote reconciliation. I believe it would be a very appropriate prelude to Reconciliation Week to have this motion agreed to on a cross-party basis.

The question of how we work towards developing a code of race ethics is something I believe we can do in a relatively informal manner. I know Senator Herron has agreed that he would be interested in being involved. I am sure Senator Tambling would be interested, and I know a number of my colleagues—the Democrats; Senator Harradine, I am sure; the Greens; and others on this side of the chamber—would be interested in having an informal working group. I am not advocating setting up yet another committee or doing anything that is all decided here and now. Let us have a small group working towards a code of race ethics. Then we can bring the matter back and have a more specific debate about what it should contain and what it should not contain. I commend the motion to the Senate. I hope that we can see the establishment of a code of race ethics in the future.

Senator SHORT (Victoria—Assistant Treasurer) (11.13 a.m.)—There are many things one could say in response to Senator Reynolds's quite lengthy contribution today. In the interests of the business of government, I will refrain from commenting in too great detail.

Before looking specifically at the motion, I want to pick up a couple of things that Senator Reynolds said. I preface everything I have said, though, by saying that we on this side of the chamber—the coalition—have always been in the forefront in this country of opposing racism in whatever form it may arise and wherever it may raise its odious head. In any consideration that we give to motions such as this one or any other in this area, we come from that basic principle of total abhorrence of any form of racism.

I was pleased to hear Senator Reynolds say that, in introducing this motion, she was not attempting to point score in any way. That was a correct attitude to take. Had it been otherwise, one may have had a very different view towards the motivation and intent of Senator Reynolds' motion.

Senator Reynolds dealt at some length with the issue of political correctness. This is not the occasion to get into a debate on political correctness, and I do not intend to do so, other than to say that I disagree with a lot of what Senator Reynolds said on that issue.

I do not think there is any doubt that in some areas of Australia today average Australians have an attitude and a mentality, if you like, that there are legitimate causes for concern and debate about aspects of policy and life in Australia—for example, aspects of the details surrounding native title, certain aspects of policy in the area of Aboriginal and Torres Strait Islanders, the issue of immigration and some of the implications that flow from debate on immigration, the role of the family, the role of women in society and so on. There are many other areas; I have just named a few.

When people raise what I think are legitimate issues for debate in some of these areas, there is a tendency in our society today to howl down those people and say, 'You are attacking some of the basic principles on which these matters are based.' Therefore the people who raise them are somehow seen and portrayed to be expressing improper views in some ways. That is a very real danger.

In relation to anyone who faces honestly the issues of public debate in Australia and what can be publicly debated—and we saw this on more than one occasion during the election campaign—anyone who suggests there is not an aura of political correctness in important areas of Australian society and debate is deluding themselves. I do not want to go into it any further at this stage, but I mention it simply because it came up in the context of Senator Reynolds' remarks.

Looking specifically at the terms of Senator Reynolds' motion, the government can support parts (a) and (b) of the motion. I think my colleague Senator Abetz will be making a few remarks in this debate as well and will draw Senator Reynolds' attention to some of the wording in parts (a) and (b) of her motion for her to consider. I will leave that to Senator Abetz to raise.

I want to raise the matter of whether Senator Reynolds intended to use some of the

words in this motion and their implications. So far as the first part is concerned—that the Senate condemns the use of any racial material to manipulate public opinion during election campaigns—yes, the coalition certainly supports that. We have been blessed in Australia throughout most of our history in being free of this type of material. It is of course often in the eye of the beholder as to what is racist or racial material and what is not. There is very often a grey area there when you get to the issue of definition. But, so far as the sentiment in part (a) is concerned, the government of course supports that.

Similarly we support the intent of part (b), which reminds parliamentarians that they are elected to represent all of their constituents and that it is totally reprehensible for any parliamentarian to announce that they will refuse to represent a particular group. Certainly I think all politicians and parliamentarians are elected to represent all the people. However, I wonder whether Senator Reynolds means to include that we are all there to represent all people, regardless of how extremist their views on particular issues may be. One can think of organisations in Australia that may well fall into that category and which would be included in Senator Reynolds' wording of part (b). That is something Senator Abetz might take up.

As a general principle I would have thought that parliamentarians certainly should not need reminding that they are elected to represent all the people. Indeed, that has been the whole basis and strength of the Liberal Party throughout its history. We believe quite passionately that we are there to represent all people equally. I would have to say that, of the major political parties in Australia throughout our history, a criticism that can be levelled seriously at the Labor Party is that it has been a party which on many occasions has represented sectional interests rather than the interests of all Australians. Personally that is why I am a Liberal rather than a member of the party opposite.

The government has some concerns about part (c), which says that, in the interests of community harmony, the Senate should consider developing a code of race ethics to be observed by all members of the national parliament. As Senator Reynolds herself acknowledged in her speech, that wording is pretty vague. She says that it is deliberately vague because, working on this very vague broad canvass, we as parliamentarians, I presume, can then get down to defining it all.

But I do have some concern, and the government has some concern, in expressing support for a proposition that vague. There is no indication in the wording of the motion as to what might be the content of that code of race ethics. There is an important question as well as to what a code of ethics in this sort of area may not only seek to achieve but, more importantly, actually achieve in substance. Personally, I think it is very difficult to imagine that having a code of ethics in this area—and, indeed, codes of ethics in many other areas—will really achieve what the promoters of such codes, perhaps even having the best intent in the world, really hope to achieve from them.

I think that community attitudes and the attitudes of individuals in areas such as this are not shaped by codes of ethics. There is, as well, depending on the content—and I stress, depending on the content—the question of whether a code of ethics runs any risk of infringing on the basic responsibility and rights of members of parliament being able to freely express their views on a range of issues. We often hear statements not just from our colleagues but from the wider community which we may find abhorrent and totally reject. But at the same time, one of the fundamental principles on which this great democratic nation of ours has been based has been the right of basic freedom of speech.

We need to be very careful indeed, as we as parliamentarians develop our attitudes, policies and approaches towards whatever issue might arise in the community, to have very much at the forefront of our mind the huge benefit that we as a nation have derived from that basic principle of freedom of speech in our community. Whether part (c) of Senator Reynolds's motion would cause problems in that area, I do not know. No-one can tell, because we do not know what the content might be. But certainly it would be an issue

needing to be very carefully considered if, in fact, the parliament does proceed to consider developing a code of ethics.

Just to sum up again, the government supports the thrust of (a) and (b). We have concerns about (c) for the reasons I have mentioned. We will not be dividing on the motion. But with these remarks I intended to set down as clearly as I could the approach that we would be taking with this motion.

Senator SPINDLER (Victoria) (11.27 a.m.)—The Australian Democrats will be supporting strongly all three parts of the motion moved by Senator Reynolds. I believe that the remarks of Mr Graeme Campbell, Mr Katter and Ms Hanson which were reported during the election campaign were some of the more distasteful episodes of that campaign. It is worthwhile noting in passing that Mr Graeme Campbell and Ms Hanson were disciplined by their respective parties, whereas Mr Katter was tickled with a feather. I welcome the comments made by Senator Short but regret some of the qualifications. Certainly there is evidence that using the—

Senator Short—I raise a point of order. I would point out to Senator Spindler, in relation to Mr Katter, that I think it most unfortunate that, in what has been a debate based on principle, and so on, you have now chosen—in a way that, quite rightly, Senator Reynolds and I chose deliberately not to do—to get involved in individual personalities. But so far as Mr Katter is concerned, you should, at the very least, acknowledge to the chamber that Mr Katter apologised unreservedly for the remarks that he had made. I hope that you will recognise that, and I hope this debate will not degenerate in the way that I think you may be moving it.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! Senator Short, that is not a point of order; that is a point of debate.

Senator SPINDLER—Thank you, Mr Acting Deputy President. I thought it important to put the facts on the table. They are well and truly known, and they were the subject of the debate. I think we need to take account of how we react to such a statement. I do not mean to indulge—and I do not believe I have indulged—in a personal attack. I am happy to acknowledge that Mr Katter has apologised. However, we should also note that, when the election results were on the table, the media reported that, despite these comments—and, in fact, the implication was drawn by some commentators that because of those comments—the votes went up.

We should be conscious of that factor, and also of the responsibility that we as parliamentarians have, individually and collectively. Whether we like it or not, it is a fact that we contribute to the shaping of public opinion. That is important, and it is also important in terms of what we do about it later and how we treat it. I do not resile from the comments I have made earlier.

It is also important to take note of the fact that making these racist comments during the election campaign has had an effect on what is happening and what is being said in the community. Certainly, in our offices, the number of letters that were unleashed—I use that word advisedly—by these comments and that were repeating and stating quite blatantly racist statements increased markedly: tenfold. In the past, we would get one or two letters from people making racist comments. We now have, as I said, a tenfold increase. I will read a sentence from one letter received in Senator Kernot's office:

> That is why those brutal, vagabondist abos have NO RIGHTS to any piece of land in AUSTRALIA. That land right corruption must end. Billions after billions of dollars gone to small minority of abos.

That is typical of the comments we receive, and it is unfortunate. It is therefore important that we wholeheartedly support what is stated by Senator Reynolds under subparagraph (a). Subparagraph (b) seems to state the obvious in reminding parliamentarians that 'they are elected to represent all of their constituents'. If Ms Hanson has made a statement excluding a particular group then, no doubt, this debate may be a reminder to her.

The comment made by Senator Short is worth looking at, that there may be members in the community whom we find so abhorrent in their views and objectives that we say that we cannot represent them. But it seems to me that the function we have to represent some-

body is twofold. One part is to ensure that that person, no matter what their views, has access to the parliamentary process in the normal course of events and that they are not told to shut up and go away. The other part is to put our own view and direct our own energies into putting forward what we believe the right attitude is and into defending the values that we have.

I suspect that Senator Reynolds meant subparagraph (b) in the former sense, that we have to serve as a conduit for all views whether we do or do not agree with them. In other words, one presents a petition from someone, despite the fact that both the person and the content of their petition would be totally abhorrent. I would still present such a petition, as I am sure would Senator Reynolds and every other senator. So I think it is in that sense that we cannot exclude representing someone. If someone has a difficulty with a government department, through not receiving a service or whatever, and asks for assistance as a constituent, then obviously one provides that assistance—provided it is within the law, of course—no matter what one thinks of the motivation, values or views of the particular person.

I would also very strongly support without qualification the suggestion that we should develop a code of race ethics. Developing a code of ethics means that first of all one asks what should be part of that code. Apart from actually producing a code—which can be no more than a guideline, of course—the process would force not only the people who would be part of the ethics code group but also everyone here and, hopefully, the wider community to consciously confront what we are talking about. It generates a thinking process, so the process of developing a code is almost as important as the final product of that process.

I will refer to a statement that the Prime Minister made recently. I preface it by saying that it is an example of how we unconsciously follow thought processes because we do not consciously think in a particular way and because our collective memory sometimes excludes things we should remember. I am sure that, if Mr Howard had consciously addressed the question and the implications of what he said, he would not have put it in quite the way that he did. I am only citing this as an example of how important it is for us consciously to be reminded of our history and of how it affects our thinking at the moment. In commenting on the horrendous tragedy in Port Arthur, the Prime Minister said:

> I was horrified to hear of the tragic mass murder which took place at Port Arthur yesterday afternoon. It was on a scale probably unprecedented in Australia's history.

Obviously the Prime Minister, at that point, did not think of the 1838 Slaughterhouse Creek massacre, where up to 300 people were murdered by police, or of the many other cases where indigenous Aboriginal people were slaughtered in very large numbers by police, settlers or others.

I think it is an example of how we tend to assume—I have done it myself—that Australia's history is the history of white Australians. Fortunately, the theory of terra nullius was hit on its head by the Mabo High Court judgment, but we still, as this example shows, think of Australia's history as the history of white Australia and not a history that includes the Australian Aboriginal people.

The people who are saying, 'They are getting too much money. You need to be a black to get money,' forget or are not conscious of the fact of the large disparity between health, education and employment standards or of the fact that we, as a nation, have not been able—despite whatever money has been spent—to adequately redress the disadvantage suffered by Aboriginal people.

I believe it is absolutely essential that we become conscious of our history, that we have it uppermost in our minds and that we are not bludgeoned by the political correctness label. This is the other point that I wish to emphasise in Senator Reynolds's address, because it has become a club with which to bludgeon debate. Radio commentators, journalists, politicians and others have, on numerous occasions in the last few months, taken up the fashion of saying, 'Oh, yes, that's political correctness. Don't worry me with it. You're obviously following a formula,' but in its

pejorative content it stops debate. It has become an argument in itself without actually addressing the various content matters that should be addressed.

In conclusion, I wish to congratulate Senator Reynolds for raising these points in such a restrained and sensitive manner. The Australian Democrats have much pleasure in supporting the motion as it stands.

Senator ABETZ (Tasmania) (11.40 a.m.)—Senator Short outlined the government's position in relation to this motion. I do not intend to delay the Senate a great deal, but I do want to make some brief points about the motion.

Senator Reynolds's motivation in moving this motion is quite transparent, and that is that she is genuinely concerned about this issue—there is no doubt about that. I commend her for this and, basically, I share her views. However, I do consider there is some difficulty with the motion, and I have suggested to Senator Reynolds that, in paragraph (a), the word 'racial' be deleted and the word 'racist' be inserted instead. At the moment, the paragraph reads:

> condemns the use of any racial material to manipulate public opinion during election campaigns.

Clearly there was racial material quite appropriately put around, because racial means 'pertaining to the relations between people of different races'. We have a multicultural affairs policy, which pertains to the relations between people of different races, we have an immigration policy, and we have an Aboriginal affairs policy.

On the strict wording of the motion I am suggesting that amendment to Senator Reynolds, because there is no doubt that Senator Bolkus, as Minister for Immigration and Ethnic Affairs, tried to gain votes for the Labor Party on the basis that his policy was better than ours. I think that the import of what Senator Reynolds is pursuing is really racist material, and I would commend that change to the Senate.

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—Senator Abetz, on a point of clarification, are you actually moving an amendment now?

Senator ABETZ—I am hopeful that Senator Reynolds, in her response, will indicate her attitude and then it can be done by leave. I do not wish to detain the Senate by those formalities. Paragraph (b) reads:

> reminds parliamentarians that they are elected to represent all of their constituents and that it is totally reprehensible for any parliamentarian to announce they will refuse to represent a particular group.

In relation to this paragraph, I am suggesting that the word 'racial' be inserted between the words 'particular' and 'group' so that we would be reminding parliamentarians that they should not refuse to represent a particular group. Indeed, the example Senator Reynolds mentioned of a particular member of the other house would seem to fit in with that.

Whilst I fully agree that I have a responsibility to represent all my constituents individually, I would have great difficulty getting up in this parliament to represent the views, for example, of the League of Rights—which is a group within the Australian community—or the National Front or some other extremist group. I think we do need to clarify that so there is no ambiguity about it.

I have some difficulties with paragraph (c). We all have our own views as to what the appropriate ethics are that ought to apply to certain debates. Senator Reynolds, very interestingly, said in her contribution to this debate that political correctness was now being used as a club to stop people discussing matters.

In recent times a lot of people came to me in Tasmania who were concerned about how funding was being undertaken within the Aboriginal community and where the money was ending up. I have heard some very horrific stories from regional councillors of the Tasmanian Regional Aboriginal Council—elected delegates of the Aboriginal community. Yet when I mentioned I was receiving this information, a certain person immediately branded me as being racist because I was daring to examine, along with my colleague Senator Paul Calvert, the question of whether the funding was getting through to the appropriate people or whether people were creaming off some of the money. If you raised

questions about native title or how that was being administered, you were basically shut out of the debate because it was not deemed to be appropriate.

Senator Reynolds said that she disliked that politically correct club—I think it was Senator Spindler who used the description 'club'—because it did not allow diversity of expression and opinion. I am a great one for believing that there ought to be this right of diversity of opinion, even if it is not necessarily fashionable within the political scene at any time. I suppose in general terms I believe that if somebody wants to put a point of view, even if I disagree with it, they ought to have a right to put that point of view. So I am somewhat concerned as to what this code would do. Senator Spindler used a fairly contrived example of what the Prime Minister (Mr Howard) said in recent times. But would this code of ethics then mean he would not be allowed to say it?

Senator Spindler—No, it is simply a new guideline.

Senator ABETZ—If it is simply a guideline, it is of no real value to anybody. If it is a code of ethics, one would expect that if people did not abide by it, there would be some sanction against them for not abiding by the code. We can all express our views and opinions within the Australian body politic generally. To try to limit people as to what they are allowed to say or how they are allowed to say it, what words are acceptable and what words are not acceptable, I do not believe is appropriate for a code of race ethics in this parliament.

At the end of the day, the code of ethics by which we ought to abide will be determined by the people of Australia from election to election. I do not think it is a very useful and profitable course to pursue to try to develop some code of race ethics. Whilst I accept that Senator Reynolds deliberately wants it to be vague, the fact that it is vague does not allow me to put my finger on what the code of ethics is actually going to do, what it is designed to achieve.

At the moment, Senator Spindler tells me it will just be some unenforceable guidelines—determined by whom, for whom? Senator Reynolds has indicated they will be determined by the Senate for the benefit of senators. That is great, but candidates for the Senate would not be bound by it and House of Representatives members would not be bound by it. Indeed, the people of Australia may not even want to be bound by that code of ethics that is being suggested.

Having said that, I do not in any way want to walk away from the very important aspect which is part of paragraph (c)—that is, we, as members of the national parliament, have a responsibility to ensure there is community harmony between the different races in Australia. I do not want to denigrate that aspect of paragraph (c) in any way in making my comments in relation to the code.

As I said at the outset, the motivation of Senator Reynolds is very honourable and that is supported. I congratulate her on the way that she presented it without getting into politics and saying, 'We're less racist than the government,' or vice versa. The debate has not degenerated, although I thought it was nearly going to, Senator Spindler, with your contribution. But at this stage I think we have kept it at an appropriate level.

I think it is important from time to time to remind ourselves and the Australian people that at the end of the day we are all humans in this world together. It is not the colour of our skin or our national origin that makes us good or better; it is what is inside us that ultimately determines whether we make a useful contribution on this earth.

Senator FORSHAW (New South Wales) (11.51 a.m.)—I rise to support the motion moved by Senator Reynolds and to make a few comments in regard to this very important issue. I think it is very pleasing and refreshing to be able to have this issue debated in the chamber today in an atmosphere in which everybody is committed to recognising that this is an issue that needs to be addressed in the community and that we, as members of parliament, have a responsibility to provide leadership on it.

Sadly, however, it has been a growing feature of political debate in this country in recent years for racial intolerance to rear its ugly head. I do not in any way lay any blame

on the coalition parties or any other political parties in this parliament—with the exception of a couple of noted candidates whom I will not mention—or maintain that they in any way contributed to this, but one of the unfortunate features of the recent election campaign was a theme running right through it that people in the community were intolerant of minority groups because they felt that they were getting too good a deal or special treatment from the previous Labor government.

As I moved around the community during the campaign this disappointed me because I believe that when people, for whatever reasons, have criticisms of, or are not happy with, what a government is doing they should not be too quick to express that or highlight that by suggesting that 'the government is looking after all of these other groups but they are not looking after me.' That fairly common theme was played upon, particularly by talkback radio hosts, as Senator Reynolds said, throughout the campaign.

The Labor government has a very proud record of governing for all Australians, and that included having to give attention where necessary to disadvantaged groups such as Aboriginal and Torres Strait Islanders to redress some of the gross imbalances and injustices of the past. But too often in the lead-up to the campaign and during the campaign when I turned on the programs of some fairly noted talkback radio hosts in Sydney I heard this constant obsession with what had been done for groups such as Aborigines and Torres Strait Islanders—that too much had been done for them and that, therefore by implication, not enough had been done for everyone else.

I will mention one name because he certainly has not resiled from his position on this, and that is Mr Alan Jones. He made it clear that, whilst he was a radio talkback host, he nevertheless wished to enter the election campaign in a partisan way. He did that by particularly targeting in his radio program Robert Tickner, the member for Hughes and the former Minister for Aboriginal Affairs. I happen to be a resident of the Hughes electorate in Sydney so, firstly, I know Robert very well and, secondly, am pretty familiar with what occurred during the campaign with respect to that area. I know that Robert Tickner is one of the most genuine and committed members of parliament that I have ever met, a person dedicated to working for the interests of his community and particularly for the interests of Aboriginals and Torres Strait Islanders who came under his portfolio responsibilities.

Whenever you put on the radio in Sydney, particularly the Alan Jones program, there was this constant obsessive denigration of Robert Tickner and this constant campaign which sought to highlight that billions of dollars had been spent on Aboriginals and Torres Strait Islanders in this country and that somehow it had all been wasted. Mr Jones would argue that you are not allowed to raise these things in Australia because we live in a politically correct environment and that if you raise these issues you will be branded a racist. This is the real straw man argument. The constant vilification, the constant denigration, the constant obsession with this issue, is clearly intended in my view to stir up amongst the rest of the community feelings that they are being disadvantaged vis-a-vis groups such as Aborigines and Torres Strait Islanders. I do not think it is any coincidence that—unfortunately from my point of view and my party's point of view and Robert's point of view—he has suffered one of the biggest swings of any Labor member in the Sydney metropolitan area and, indeed, the country.

Mr Jones not only engaged in this campaign day after day, where he was on the radio saying that he had an objective and that that was to kick Robert Tickner out of parliament; he also went out and opened up the campaign office of the Liberal candidate for Hughes, Ms Danna Vale. I do not think it is appropriate for responsible journalists or talkback radio hosts, whatever their political views, to get involved to that extent.

I have met Ms Danna Vale, the new member for Hughes, and I have nothing but the utmost respect for the position she took during the campaign on this issue. At no stage did she engage in an attack upon Robert

Tickner in the way that Alan Jones did. So I certainly agree with Senator Reynolds's comments with respect to talkback radio hosts. The sooner they stop being talkover hosts—where they abuse, criticise and cut off the air anybody who wants to disagree with their opinion—and start carrying out their real function, which is to be a conduit for community debate over the airwaves, the better. Why, amongst all the other politicians in the country, was Robert Tickner singled out by Mr Jones for specific treatment? No other member of parliament suffered such a personal attack and such denigration as did Robert Tickner by this radio talkover host, Mr Alan Jones.

I am sure all honourable senators will remember an incident that took place prior to the election campaign, where a supermarket in Bourke was burnt down. My recollection is that the owners of the supermarket laid the blame on young Aboriginal children in the Bourke community. After that, the member for Parkes, Mr Cobb, sought to lay the blame for this situation on the federal government. He said that the federal government was responsible for this incident and that it was up to the Keating government and the Minister for Aboriginal and Torres Strait Islander Affairs, Robert Tickner, to come in and sort out the problem of community race relations in the Bourke community.

So we had a fire, we had a supermarket burned down, we had an allegation as to the perpetrators, and then we had a member of parliament saying that Robert Tickner should come in and sort out the problem. What actually occurred? Not long after, the police laid charges against the owner of the supermarket for arson. It was not any Aboriginal kids at all who had set fire to this establishment. But why was Robert Tickner again singled out?

What really concerns me is that quite often these issues are stirred up and highlighted not by direct racist comments but by inferences and implications, by the mere mention of the name of a particular minister—in this case, Robert Tickner—or by the suggestion that Aboriginal affairs is an area in which the government has been over generous and has thereby disadvantaged others. What really needs to be addressed and stopped is this underlying tone, because unfortunately it is creeping more and more into our political debate and particularly onto the airwaves of this country.

Last year, and even more recently, I travelled through some parts of New South Wales. When in Kempsey I can remember being asked whether I was aware that all of the Aborigines in Redfern were going to be moved out of Redfern and relocated to Kempsey because Sydney was getting the Olympic Games. That is what the people in Kempsey had been told or had heard. It was a common message throughout the community. I went to other parts of New South Wales where the same story was told. I know other members of parliament have heard this as well. I do not know where it came from, but it was certainly a live rumour out there.

It is very disturbing and very distressing that people have been led to believe these are real possibilities. It is utter nonsense. Again, it demonstrates how quickly a rumour or an inference takes off in the community, particularly in non-metropolitan Australia. We, as parliamentarians, have to do whatever we can to turn that around. If that means being a bit politically correct at times, then I am in favour of that approach.

Let me conclude by saying that this is a very timely motion. The contributions in this debate from all speakers on both sides of the chamber have demonstrated that we should be endeavouring to stop this sort of racial material and other racist electioneering to ensure that we do not ever see that sort of campaign become a feature of the wonderful democracy which we have in this country.

Senator COONEY (Victoria) (12.07 p.m.)—I was listening to this debate in my room, doing a lot of other work at the same time. It seemed to me to be a debate of importance and also a debate that was very well conducted. The issue of racism is vital in a country like ours. The tag of racist is a horrible one because in a multicultural society racism strikes at the heart of the community. That is one of the reasons Senator Reynolds has brought this motion before us. Part (c) of this motion reads:

That the Senate . . . considers developing a code of race ethics to be observed by all members of the national parliament in the interests of community harmony.

Of course, that is good, but it also means that we in this chamber should not readily—if at all—accuse our colleagues, no matter what side of the chamber they come from, of being racist. Nor should we be pleased about or, if it comes to that, ever encourage people outside the chamber to call people racist when clearly they are not.

Senator Abetz said that he had been accused of being racist. I must confess that having sat on many committees with Senator Abetz and having had some tangles with him now and then, I have never seen any suggestion that he would be racist and it would be wrong for people on this side of the chamber to use what was said outside the parliament to accuse him of that.

I also notice that Senator Spindler spoke in the debate. He has recently been accused not so much of racism as of retaining some aspects of Hitlerism. That is also a most fearsome accusation. In fact, Senator Spindler was a member of a youth committee under Hitler—but that was a matter of form. I think everybody in this chamber would agree that Senator Spindler shows anything but a fascist tendency. He has been very assiduous, committed and energetic in the civil liberties area, enabling democracy to flow as it should. It would be a shame if anybody in this chamber used or even condoned whatever accusation has been made in recent times against Senator Spindler.

In the light of part (c) of this motion I wanted to speak about those two people because if this motion is to have any meaning we have to embrace it not only in its terms but in its spirit. I hope the address I am about to conclude is some indication of what I mean because we have to defend people in this chamber, no matter what party they come from, if they are falsely accused.

Senator REYNOLDS (Queensland) (12.12 p.m.)—I thank my colleagues for their contributions. There is only one person I am not sure I should be thanking, and that is Senator Abetz. He demonstrated that a lawyer can amend a teacher's wording. Senator Abetz, I do accept your wording. I think we can do that by leave at the conclusion of my remarks.

As all honourable senators have said, this debate goes way beyond party political point scoring. That is why I am pleased we managed to maintain the degree of harmony in this chamber that we would all like to see out in the community. I understand Senator Short's and Senator Abetz's reservations about a code of ethics because you could argue, from a government point of view, that I am trying to get you to sign a blank cheque. I know, from having been in government, that governments are not keen on handing cheques over, let alone blank ones.

I understand your reservations and I am pleased to hear that there are some principles we agree on. It is how we can incorporate those principles into something as specific as a code of race ethics that we must discuss. Senator Spindler had the right concept when he said that maybe the process of developing such a code is as important as the final product. I invite honourable senators on the other side, although they do have reservations, to contribute to this process.

I will be suggesting the setting up of a small working party that is not official or through this chamber. We need to sit down, talk about things and work them through. Then we can bring that back to this chamber for debate.

Several people alluded to the term 'political correctness'. I have also mentioned it. Senator Abetz said that he objects to the fact that just because he is talking about an issue and a particular group of people, he is suddenly accused of being a racist. Maybe it is true that the term 'racist' has been bandied about in all kinds of situations, just as 'political correctness' is now being used. Maybe we all have to learn to be more specific in our comments. When we are debating issues we need to ensure that we promote the facts.

I think that what hurts Aboriginal and Islander people the most is when talkback radio hosts encourage this. They do not just encourage, as Senator Forshaw has said, but have an obsession with a focus on Aboriginal funding. Why? Governments fund all sorts of

groups. I note that the parliamentary library had prepared some material that showed how many different groups receive funding but they are not the focus of public discussion and outcry.

I think that, if anything at all can come from this debate, it will be ensuring that we are a little bit more careful about our language—and we are all guilty of that—because we do get heated about ideology and what we believe to be important. I do not think we should accuse each other without having very specific facts. Perhaps we could set that standard and could get talkback radio hosts to set a standard of using the facts.

I was pleased that Senator Forshaw spoke about the denigration of Robert Tickner. I would want to pay tribute to the work Robert Tickner did as Minister for Aboriginal and Torres Strait Islander Affairs. He did a magnificent job. One of the many important things he did was to play a crucial role with Peter Nugent in developing the concept of the Council for Aboriginal Reconciliation.

I commend the motion to you. I seek leave to amend the motion to include the words 'condemn the use of any racist material' instead of 'racial material' as Senator Abetz suggested, and, in part (b), to remind parliamentarians that they are elected to represent all of their constituents and that it is totally reprehensible for any parliamentarian to announce that they will refuse to represent a particular racial group.

Leave granted.

Senator REYNOLDS—I move:

Paragraph (a), omit "racial", substitute "racist".

Paragraph (b), after "particular", insert "racial".

Amendments agreed to.

Motion, as amended, agreed to.

MINISTERS OF STATE AMENDMENT BILL 1996

EXCISE TARIFF AMENDMENT BILL 1996

DAIRY PRODUCE LEVY (No. 1) AMENDMENT BILL 1996

DAIRY PRODUCE AMENDMENT BILL 1996

First Reading

Bills received from the House of Representatives.

Motion (by **Senator Kemp**) 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 KEMP (Victoria—Parliamentary Secretary to the Minister for Social Security) (12.20 p.m.)—I 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—

MINISTERS OF STATE AMENDMENT BILL 1996

Section 66 of the Constitution prescribes the maximum annual sum for the payment of salaries to ministers, unless the parliament provides otherwise. Amendments to the Ministers of State Act 1952 which sets the sum are therefore required from time to time to cover changes in the level of ministerial salaries or the number of ministers. The sum appropriated is to meet the expected costs of salaries and no more.

The act's current limit on the sum appropriated is $1,615,000. This sum needs to be increased to $1,640,000 in the current financial year to meet increases in salaries for ministers under the previous government. In subsequent years because this government has reduced the number of ministers and reduced the salaries payable to ministers not in cabinet the sum required will be $1,600,000.

Under the arrangements in place under the previous government a sum of $1,780,000 would have been required in subsequent years.

I commend the bill to the Senate and present the explanatory memorandum to the bill.

EXCISE TARIFF AMENDMENT BILL 1996

The purpose of this bill is to insert into the Excise Tariff Act 1921 the definition of "prescribed division", which is currently contained in an Excise By-Law. The definition is necessary for determining the periods of a year for the purposes of calculating the excise duty on crude petroleum oil under three sections of the Tariff Act.

The need for this legislation has arisen as a result of advice received from the Attorney-General's Department in January of this year concerning the crude oil excise provisions of the Excise Tariff Act 1921 which rely upon the By-law definition. It was suggested for clarity to transfer the By-law definition into the act, with effect from 1 July 1983, being the date the relevant provision which relies upon the By-law definition first appeared in legislation.

The transfer of the By-law definition and its retrospective commencement is proposed as a technical amendment pursuant to the Attorney-General's Department's advice, to ensure there is no doubt about the validity of past revenue collections under the definition (item 2 of Schedule 1 to the bill refers).

The bill also effects a technical drafting amendment to the Tariff Act relating to gender neutral language, consistent with continuing commonwealth drafting policy to make appropriate amendments where necessary in commonwealth legislation to achieve a gender neutral result (item 1 of Schedule 1 to the bill refers).

FINANCIAL IMPACT STATEMENT

The principal amendment in this bill concerning the transfer of the definition of "prescribed division" from the Excise By-law into the Excise Tariff Act will not result in any additional outlays or revenue to the commonwealth. The amendment will however remove any possible doubt about the validity of past revenue collections, which since 1984/85 on "new" crude oil have totalled approximately $1.9 billion.

DAIRY PRODUCE LEVY (No.1) AMENDMENT BILL 1996

The purpose of this bill, and the Associated Dairy Produce Amendment Bill 1996, is to introduce minor but necessary amendments to ensure consistency between the current industry milk payment practices and the dairy market support legislation.

Following the Uruguay round of trade negotiations, Australia introduced new arrangements from 1 July 1995 which deliver assistance to dairy producers through a clearly defined and transparent domestic support scheme.

The market support arrangements involve a levy on market milk, paid by producers; and a levy on manufacturing milk, paid by manufacturers of dairy products which can be recouped from domestic consumers. Exports of manufactured dairy products are exempt from levy liability.

The two levies are appropriated to the Australian Dairy Corporation which pays support to manufacturing milk producers. The Australian Dairy Corporation also collects the levies as the agent of the Department Of Primary Industries And Energy.

The scheme centres around being able to distinguish between market milk and manufacturing milk at the point of receival from a producer. The distinction between market milk and manufacturing milk under the current legislation is based on actual usage.

Current administration of the scheme by the Australian Dairy Corporation is on the basis of industry milk payment practices and is not consistent with the legislation as it now stands.

Extensive consultation with the dairy industry has established that it would be extremely difficult for the industry to modify its current milk payment practices without causing major disruption. Accordingly, this bill retrospectively aligns the market support legislation with the existing administration arrangements of the Australian Dairy Corporation.

This bill provides for market milk to be redefined as that milk for which a producer receives a market milk payment. Manufacturing milk will subsequently be the residual of total leviable milk less market milk.

These definitional changes will ensure that the legislative framework and the current method of administration of the dairy support arrangements are compatible. They have been developed in close consultation with the dairy industry.

Two additional modifications have been incorporated into the bill. The first involves removing the imposition of the corporation, promotion and research levies on milk which is consumed, disposed of or lost on-farm. In practice, the amounts of such milk are indeterminate and have consequently never incurred levy. The removal of the levy liability from such milk gives legal effect to industry policy and practice.

The second modification clarifies the levy imposition arrangements for modified market milk and manufacturing milk by emphasising that levy is calculated on the milk fat and protein content of milk as determined on-farm. Again this provision ensures consistency between established industry policy and the legislation.

The proposed amendments do not affect actual levy collection and support payments, as current industry practice will continue. No producer or manufacturer will be disadvantaged relative to the current operation of the scheme. Furthermore, there will be no effect on the annual amounts of revenue and outlays under the scheme.

Most importantly, the market support arrangements remain consistent with the original policy intention of the scheme and with Australia's commitments to the World Trade Organization agreement.

I commend the bill to honourable senators and present the explanatory memorandum.

DAIRY PRODUCE AMENDMENT BILL 1996

This bill complements the Dairy Produce Levy (No. 1) Amendment Bill 1996 in providing the legal framework for the current administration of the dairy market support scheme by the Australian Dairy Corporation.

The provisions of this bill revise the definitions of market milk and manufacturing milk, by reference to the Dairy Produce Levy (No. 1) Amendment Bill 1996, to allow the established milk payment practices of the dairy industry to continue unchanged.

The proposed changes to the market support arrangements constitute a minor legal correction and will not affect the administration of the scheme. They will apply retrospectively from 1 July 1995, the date on which the current market support arrangements commenced.

These amendments also include changes which will ensure that no manufacturer is disadvantaged by the retrospective provisions of this bill regarding lodgement of monthly returns.

I commend the bill to honourable senators and present the explanatory memorandum.

Ordered that further consideration of the second reading of these bills be adjourned until the first day of sitting in the Spring sittings, in accordance with the order agreed to on 29 November 1994.

Ordered that the Ministers of State Amendment Bill 1996 and the Excise Tariff Amendment Bill 1996 be listed on the *Notice Paper* as separate orders of the day.

THERAPEUTIC GOODS AMENDMENT BILL 1996 (No. 2)

In Committee

Consideration resumed from 8 May.

The bill.

Senator HARRADINE (Tasmania) (12.22 p.m.)—It is difficult to know where to take off when a debate has been interrupted over a period of a day. It was indicated by one of the speakers last night that this is a matter that had been notified by me. I think it would be appropriate at this stage to seek leave to have incorporated into *Hansard* the statement that I made to parliamentary colleagues, which is entitled 'Background to proposed amendments by Senator Brian Harradine to the Therapeutic Goods Amendment Bill 1996'.

Leave granted.

The document read as follows—

To Parliamentary Colleagues

From Brian Harradine

Background to Proposed Amendments by Senator Brian Harradine to the Therapeutic Goods Amendment Bill 1996

PROGESTERONE ANTAGONIST RU-486
Imported Contrary to Policy Undertakings

Abortifacients are prohibited imports unless exempted by the Department of Human Services and Health pursuant to the Customs (Prohibited Imports) Regulations. As a result of questions by Senator Brian Harradine at Estimates Committee Hearings as far back as 1988, undertakings were given and policy adopted that no such exemption would be given or clinical trials approved unless the Minister was involved in the decision. Neither the then Minister for Human Services and Health nor the then Minister for Family Services (Minister responsible for the TGA) were consulted prior to the exemption by the departmental delegate. Health Minister Graham Richardson acknowledged that the official assurances were "breached" and said the Government would see whether it could rectify the situation (*Senate Hansard, March 17, 1994*). He resigned and nothing was done.

What is a Progesterone Antagonist?

RU-486 (also known as Mifepristone and sold in France as Mifegyne) is a progesterone antagonist. It is a synthetic steroid which blocks the positive effects of the hormone progesterone, which is necessary to sustain the rich, nutrient lining of the womb during pregnancy. When the function of progesterone is inhibited by RU-486, the womb's lining is broken down and the foetus is destroyed in the process. This is RU-486's most common function. If administered after fertilisation but prior to implantation, RU-486 is intended to make the womb unreceptive to the embryo because the lining is inadequate for the embryo to attach.

However RU-486 has a significant "failure" rate when used alone. To make it more effective, the three RU-486 tablets taken by the pregnant women are followed several days later by a prostaglandin injection or suppository. This causes powerful uterine contractions to expel the foetus.

Despite the combination of both drugs, there is still an estimated five percent of cases where a surgical abortion has to be done.

What Drug Company is Involved with RU-486?

The world-wide patent on RU-486 as an abortifacient is held by the French company Roussel-UCLAF. The majority shareholder is a German company, Hoechst A.G. Until recently the French Government held shares in Roussel-UCLAF. This drug company has operations in 41 countries.

The scientist most prominently associated with RU-486 is its developer Professor Etienne-Emile Baulieu, who is also a consultant to Roussel-UCLAF.

A spokeswoman for Roussel Uclaf's Sydney office told the Sydney Morning Herald (14/3/95) the company had nothing to do with the then current RU-486 trials in Australia and had no plans to seek to register RU-486 in Australia in the foreseeable future.

Why Is It Being Developed?

A major factor propelling the research and promotion of the drug is its ultimate use in the armoury of population controllers. It is for this reason the drug attracts the financial support of the Human Reproduction Program (HRP). (Full title of HRP is: The Special Program of Research, Development and Research Training in Human Reproduction).

The World Bank, United Nations Population Fund, United Nations Development Program and World Health Organisations are sponsors of the HRP program. WHO is the executing agency because its "perceived neutrality" make it "a most appropriate instrument to deal with an area as sensitive as that of family planning research" (Dr Halfdan Mahler former Director General of WHO now Director General of International Planned Parenthood Federation in Research on the Regulation of Human Fertility, Proceedings of an International Symposium, Stockholm, Scriptor, 1983, P.359). HRP priorities are recommended by an advisory committee of which Professor Baulieu has been a member. Authorisation for the use of RU-486 in developed countries is a prelude to widespread distribution in developing countries because distribution at a cost-plus price in that market is mandated by company contracts with HRP. Ausaid allocates funds to the HRP program from aid moneys.

The HRP is committed to research directed at perfecting existing abortion technology and developing new abortion drugs. The new abortion drugs are seen as heralding an exciting new era in birth control/population control technology. The Population Council of New York and The Population Crisis Committee are sponsors of RU-486 research and active in its promotion. Roussel-Uclaf Co of France has donated all US patent rights to the Population Council.

The push to approve RU-486 in developing countries could have horrendous ramifications on women's health, where there are inadequate health services to deal with RU-486 induced complications.

What About Health Risks?

Of course, the RU-486/Prostaglandin delivers death to the unborn. Also of critical concern are the short and long term ill-effects on women exposed to RU-486.

To date, documented reports of death, heart attack, cardiac anomaly, severe cardiac failures, post abortion bleeding in some cases requiring transfusions, extreme pain during uterine contractions, uterine rupture, vomiting, diarrhoea, fainting, fatigue and excessive thirst are some of the immediate effects following the use of RU-486/Prostaglandin.

Women considering taking the drug are advised to live "within about 40km" of an abortion clinic. The French Ministry of Health has instructed that doctors who administer RU-486 should have ECG and resuscitation equipment available for immediate use. The drug must be given "under strict medical supervision."

RU-486 is promoted as a simple do-it-yourself, private, de-medicalised abortion. Yet it requires three or four visits to a specialised centre, the taking of up to five hazardous drug combinations, vaginal ultrasound and may result in the complications cited above. Klein, Raymond and Dumble: "There appears to be an unquestioning acceptance that RU-486/PG de-medicalizes abortion, whereas the reality of RU-486/PG treatment is that it re-medicalizes, ie. more thoroughly medicalizes, the abortion experience for women. . . We contend that given the media hype and the lack of independent research on RU-486/PG, most women taking the drug are not informed and consent is relatively meaningless."

Then there are the potential long-term effects. There are concerns about the lasting effect on tissue of the cervix and uterus. RU-486 has also been found to have crossed the blood-follicle barrier and has been found in the egg follicles of women to whom RU-486 has been administered. The implications of this for future fertility, pregnancies and health of future children have not been established. Dr Lynette Dumble, senior research Fellow at Royal Melbourne Hospital, says that prostaglandins used with RU-486 "have the potential to have serious life-threatening side-effects." She describes exposure to synthetic prostaglandins during abortion procedures as an "immune insult."

There is also increased risks of birth defects in surviving babies.

Vaccines Against Human Chorionic Gonadotrophin

These vaccines work by turning body substances against themselves. They cause a woman's immune system to produce antibodies against the hormone human chorionic gonadotrophin (hCG) which is essential for pregnancy. These long-acting immunological drugs cause the immune system to mistake the pregnancy hormone for a germ, thus expelling the fertilised egg.

These vaccines can also interfere with the development of the early embryo. An international cam-

paign has been launched against the anti-pregnancy vaccines by women's health activists who fear the health risks (including possible permanent sterilisation) and abuse potential.

Purpose of the Amendment

People on both sides of the abortion debate agree that the importation, trials, registration and marketing of such agents raise major public health and public policy issues and should not be left in the hands of bureaucrats and science technologists. There should be ministerial responsibility subject to effective Parliamentary scrutiny. The amendments go no further than this.

The above briefing is almost identical to that sent to you in November last year. Please contact Melinda on 3735 for any further explanation.

Senator HARRADINE—I thank the committee. Could I simply address a matter raised by Senator Crowley last night on the possible use of progesterone antagonists in the treatment of cancer. There was and is no intention on my part to deny the operation of the special access scheme in that matter—none at all—and the amendment does not do that. Quite frankly, the application of that is very much in the experimental stage; but I will not go into the literature on the particular subject.

As honourable senators would know, I would be the last one to seek to deny the use of a drug or a treatment for cancer where that was deemed appropriate. Personally, and by public policy, those who are aware of my background would appreciate what I am saying. I deliberately, therefore, chose the wording, on advice, that is contained in this amendment so as to ensure that in the cancer cases referred to by Senator Crowley nothing in this amendment would prevent access to SAS.

Senator MARGETTS (Western Australia) (12.25 p.m.)—I rise to speak to Senator Harradine's amendments. There is no rule of the Greens (WA) that their elected representatives must vote together. The fact that this is generally not noticed is an indication of the high level of agreement we usually have on issues. Without pre-empting Senator Chamarette's decision, this amendment represents an area where we have some differences. I do not believe it is proper to single out abortifacients as a class of drugs which are inherently bad, and therefore subject to ministerial veto.

The debate on this issue functions at several levels. There are issues of safety, freedom of side-effects, and so on. But abortifacients are not especially prone to such side-effects, nor are they the only class of drugs with concern over side-effects. In point of fact, it is usually specific drugs rather than classes of drugs that are a concern.

If this had been put up as an accountability measure, as a procedure by which members of the public could present concerns over the medical and health effects of drugs, after they were accepted by a panel of experts—in other words, as a process for appealing a judgment to allow drug use as safe—I may have supported it. This would have opened the door to the public to express concerns on a number of drugs.

We must remember there has been a history, which includes expert decisions, that various drugs or chemicals are safe, when in fact they were not. Only struggle has resulted in the admission of ill-effects and sometimes banning of those substances. So it would not have been odd for the Greens to support a broad mechanism for appeal, in the name of accountability.

We would also consider a mechanism which would allow a minister to override the negative judgment of experts, as well as positive ones, in response to the community. This is applicable in issues such as drugs for treatment of terminal or long-term debilitating illness, where victims of these diseases might choose to try a promising drug not fully tested, rather than face certain death or massive discomfort. It seems that in a nation where, at least in some states, people can choose to die with dignity, people ought to be able to at least apply to choose a course of treatment that may not be fully proven to be safe.

In any case, there are issues of the efficacy of a drug, of health and safety, which may be considered in terms of evidence. It concerns me that this is not a process which is aimed at addressing such issues. RU486 is already restricted. This says that, if a panel of experts agreed that an abortifacient drug passed all

tests that would allow its use, this is a special class which still should not be used. The minister may exempt it from general ban by direct, written, undelegated decisions. The effect of Senator Harradine's amendment is that all other drugs may be used when a panel of experts say they are safe. But these drugs are special, and should not be used even if they are safe, unless the minister personally says so.

Why is this class of drugs considered so bad? It is not one drug here. It is not a general procedure for drugs which a sector of the public finds likely to be unsafe. It is not a safety issue at all, in spite of the existence of some safety issues with some of the drugs in this class. We do not see similar bans on tranquillisers or mood elevators, valium or Prozac, even though they are questionable both socially and medically. The issue is the use of these drugs.

The class of drugs is defined by purpose as abortifacients. This amendment says, 'abortifacient drugs are especially bad.' If this amendment were passed, it would say that the parliament indicates that these drugs should be considered special and not generally allowed. That is an executive decision to countermand this general rule that the minister must be personally accountable for such a decision.

The Greens support the idea that value-based decisions should be made. It is not always appropriate to let economic bottom lines and personal freedom dictate the basis of social activities. But neither do we like to see the abuse of executive power on issues of community value. Restrictions on personal freedom should be made clearly, and on the basis of broad community participation. At very least, if there is no broad public decision-making forum, the decisions should be made in parliament.

In the specific case of family planning, the debate has been conducted for a long time in the public domain. The first issue is whether this sphere of activity is one where individuals should have choice, or whether it is an area where government has a duty to regulate. I support the idea that contraceptive use by men or women is a personal decision, and support the right of the woman to choose whether or not to bear children. I further support the idea that all safe means of birth control should be available.

If one disagrees and supports the notion that this is an area for regulation, there is still the issue of whether or not abortifacient drugs may be preferable to surgical abortion which is legal. But we are not being asked to debate these issues. We are being asked to accept that government should regulate, and regulate by ministerial proclamation, with a pre-judgment that these drugs should not be allowed except in special circumstances.

I share Senator Chamarette's concern that abortifacients should not come to be seen as a replacement for contraception. I disagree that the way to address this is to forbid abortifacients. Education campaigns and ensuring appropriate advice is available are liable to be more appropriate.

The choice surrounding whether or not to abort an unwanted pregnancy is often difficult and traumatic for women. It is often one of those situations where neither option is good. If an abortifacient is proved safe and free of side effects, then it becomes, for those who choose abortion, an alternative to surgical abortion rather than an alternative to contraception. Ethically, some people may find abortion at cytoplast stage, a few hours after conception, more acceptable than the surgical abortion of a foetus that may be well over a month old. Others may feel it makes no difference, but there is a range of ethical positions on this issue.

I would like to think that all parties feel that this is an issue of such importance that those who have a certain belief on this issue can make their own decisions in relation to this vote. I would therefore be very disappointed if the voting on this issue becomes party based. Contraception and abortion are areas where choice should be based on individual ethics rather than opposed by government. I oppose this amendment.

Senator NEAL (New South Wales) (12.32 p.m.)—I also rise in this debate to speak on Senator Harradine's amendment. I have to say at the outset that this was not an easy matter for me and members of the Labor Party to

deal with. It raised a lot of matters that go very much to the heart of how we feel about ourselves and what rights we have.

The amendment first proposed by Senator Harradine had a second part, which now does not appear. It proposed that the approval of the minister also become a disallowable instrument. I am very pleased to see that Senator Harradine removed that part of his original amendment as that would have been completely unacceptable to members of the opposition.

In looking at this issue, it becomes very clear that Senator Harradine has a particular objective—that is, in dealing with restricted goods, to make it as difficult as possible for drugs that may be used as abortifacients to come into the country. In particular, he indicates his opposition to the drug RU486. He has made that very clear both in debate in the chamber and in personal discussions. We can certainly say that he has been consistent in his approach.

Whilst the opposition does not agree with Senator Harradine's particular objective that these drugs should be removed entirely from circulation and that they should not be allowed in Australia, we acknowledge that this issue raises large concerns within the community. It raises issues beyond purely health issues. These issues need to be addressed by the executive of this government and addressed with absolute and direct accountability and absolute and complete transparency.

It is on this basis that the opposition has decided not to oppose the amendment put forward by Senator Harradine. We wish to ensure that, in circumstances where this drug is to be imported or supplied in Australia, the minister be required to approve the drug and that notification of this approval be given in this chamber. This method will ensure that each house of parliament and the public at large are notified.

It has been argued extensively—and I believe there is some truth to this—that to allow this exception to be made will destroy the integrity of the scheme of registration through the Therapeutic Goods Act. I do not believe that exceptions, as a generally rule, are desirable. My initial stance is to oppose them. In these particular circumstances—and the issues at stake are much greater than just health issues and the efficacy of the particular drug—I think it is appropriate that the decision be made directly by the minister.

It is quite clear that whether or not the minister directly makes the decision, the minister is, through the principle of ministerial accountability, responsible for a decision made by the Therapeutic Goods Administration, the Department of Health or any other body within his portfolio. This results in a direct responsibility for the minister as opposed to an indirect responsibility. I wish to say nothing further about this matter.

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (12.36 p.m.)—I wish to reiterate my strong opposition to this amendment, as outlined yesterday. I will not go over all the points. The Democrats cannot support either the specific amendment or the intent of the amendment. The intent of the amendment is to make it as difficult as possible for women to have another choice and to make it as difficult as possible for manufacturers to actually get their product into the country let alone through the process of trial, approval and making it available.

We do not deny that there are risks with these drugs, as there are with many other drugs. If these amendments were based on the risk involved with particular drugs then perhaps there may be some case to argue. Surely parliamentarians are not the best people to determine what the risk really is. I would be prepared to listen to arguments about improving the current process. Perhaps the minister can inform us of any specific problems there may be with the current processes. I understand that, for the past few years, the TGA has adopted a practice of formally notifying both the minister and the secretary to the department whenever it receives a request for the special use of a drug such as an abortifacient.

Perhaps I could ask the parliamentary secretary whether he can confirm that this is the case. I will make just a few more comments before he has a chance to answer. Can

the parliamentary secretary tell me how many special requests the department has received and have been passed on to the minister over the last five years? In practice, the effect of this amendment will be that women in this country will not have that additional choice. If they wish to terminate a pregnancy, they will be forced to rely on surgical means.

I wish to comment on some other remarks Senator Harradine made when we were dealing with this legislation yesterday. He quoted a book written by Renate Klein. He indeed indicated his interest in a range of issues in that book. Renate Klein and others argue that much more funding needs to go into primary health care alternatives. We could not agree more. In particular, far more money needs to go into family planning. I agree with her that more attention should be directed to male contraceptives and far more responsibility should be taken by the male partner. From an international perspective, I believe that we should be spending less time focusing on the more technological methods of birth control.

While we do share some of her concerns about this drug and these types of drugs, we certainly do not share her views that they therefore must be banned or research into them should immediately be stopped. I do not believe that she represents anything like a majority of women in this country. We certainly should be exploring all possibilities, I believe, to give women a genuine choice about contraception. We should ensure that these various means are discussed and looked at ethically. I do not believe we in the Senate should prevent women from being able to exercise their choice on these matters.

I am happy to place on public record my belief that women should have access to as wide a range of options and as much information as possible. I would be grateful if the parliamentary secretary could take the opportunity to answer my questions before I ask a couple of others.

Senator HARRADINE (Tasmania) (12.40 p.m.)—Before the Parliamentary Secretary to the Minister for Health and Family Services does that, I wish to make one point. This is not a matter of denying people choice. This is simply a matter of ensuring that there is public accountability in respect of these particular drugs. It should be done in the face of a worldwide push to have RU486, progesterone antagonists and the anti-hCG vaccine developed as a population control drug. I cannot understand why Senator Lees has not read the background or asked me to provide to her the minutes of the groups of scientists and political groups in Europe who are behind this. It is all in the minutes.

Senator Crowley—A conspiracy.

Senator HARRADINE—It is not a conspiracy theory. I ask Senator Crowley to have a look at the PCC documents and study them. Why is she accusing me of suggesting it is a conspiracy theory? Who do you think was responsible for attempting to get RU486 into Australia for trial? Was it generated from within Australia? Of course it was not. It was done at the behest of the HRP, which is funded by organisations such as the World Bank, the United Nations Population Fund, the UNDP and the World Health Organisation. It also gets other bilateral funding, including major funding from Japan and the United States.

If Senator Lees is saying that this is a question of choice, she is naive. These trials must be undertaken in the developed world before they are then approved—this is the theory—as armoury for the population control push in the developing world. That is in summary in the document I have incorporated in *Hansard*.

The WHO is the executing agency of HRP because, as it says in the document, 'its "perceived neutrality" make it "a most appropriate instrument to deal with an area as sensitive as that of family planning research"'. Halfdan Mahler, former Director-General of WHO, said that. Where is Halfdan Mahler now? Halfdan Mahler is now the Director-General of the International Planned Parenthood Federation, which is the greatest promoter of the concept of using abortions as birth control in Third World countries. You should hear the suffering of those people. Haven't you read about the suffering of Third World women with respect to this? Haven't you any heart for them?

Senator Crowley—Cut it out, Senator. Some of us have known this for years.

Senator HARRADINE—What have you done about it? I have never heard you get up in this chamber and castigate the activities of the population controllers. You have never done that. You have never defended Third World women against that political attack. I believe it is important that we know where the push is coming from. It is very important to ensure that a public policy on this matter of vital concern to women and indeed every person in Australia is determined in this country by elected representatives, who are responsible to the parliament and the people, rather than the science technologists.

Progress reported.

Sitting suspended from 12.45 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICE

Superannuation

Senator SHERRY—My question is directed to the Assistant Treasurer. Does the minister agree with a recent press report commenting on his government's proposal for RSAs which says, 'Superannuation bank accounts will offer lower returns than traditional super'?

Senator SHORT—The coalition proposal for the introduction of retirement savings accounts is an important part of the package of proposals to increase savings in Australia and to provide a wider range of choice for persons planning their income in retirement. It is a separate product and serves a different purpose from normal superannuation payments. It will be specifically designed to assist all those small-income earners and casual and part-time earners, to whom the previous government's policies paid no regard at all.

So far as the details of the RSAs are concerned, they will be announced in due course after widespread consultations with a wide range of interested parties. In relation to whether they will produce a lower return than accumulated superannuation funds, they very likely will. That is something we have recognised from day 1. I have said that in several public speeches recently. That reflects the different nature of the product. The full details of that will have to await further consideration following consultation with all interested parties.

Senator SHERRY—You particularly highlighted the need for lower income earners to be offered this type of product by your government. Why offer them a product with a lower return?

Senator SHORT—Because it is a product that will fill a gap that exists in the existing range of products for people approaching retirement income. It is not necessarily seen as a long-term vehicle. Some people will treat it as a short-term vehicle on their way to other forms of retirement income. I am very surprised that Senator Sherry was not aware of that and aware of the fact that there is a gap in the range of products for retirement income. RSAs are designed to be one of the products to fill that gap.

Sale of Telstra

Senator TROETH—My question is directed to the Minister for Communications and the Arts. Has the minister's attention been drawn to the comments by the Leader of the Opposition that the telecommunications electronics industry might suffer if one-third of Telstra is privatised? Is this true?

Senator ALSTON—I thank Senator Troeth, a fellow Victorian, who is no doubt acutely aware that in Victoria we suffered for years as a result of the economic blindness and ineptitude of the Cain-Kirner regime. I think even Senator Robert Ray was driven at one stage to describe the Victorian ALP as basically the Albania of the south, or did he just have Senator Carr's mates in mind.

It looks as though Mr Beazley is demonstrating his strength of leadership by going down there and pandering to the economic illiterates, because he said such things as this: 'Telstra does not need capital injections.' I hope he will go and tell Telstra that. If there is one thing that is for sure it is that if you are in a competitive and expanding market and you are constrained by having to go to the Loan Council, and you have to have government over your shoulder wanting to take more from you by way of dividends on

the other hand and not giving you permission to borrow offshore and domestically, then you are condemned to a second-rate existence. I am sure Mr Beazley understands this; it is just very grubby politics and a classic sign of weak leadership.

He says, 'It makes sufficient profit in order to be able to operate itself.' That is the sort of stuff Senator Carr would lap up and those people who think that, because you make money, somehow you are profitable and efficient and therefore you do not need any further money.

He says, 'It drives the Australian electronics industry. Without Telstra purchasing domestically there is no electronics industry. You can't direct on a day-to-day basis the ownership or management of Telstra.' The fact is that ever since corporatisation in 1990 Telstra has been required to operate commercially, and it has been doing that.

Mr Beazley seems to think that at the moment Telstra dominates the equipment manufacturing sector. Of course it once did; it used to be the only game in town. But in recent times, as a result of competition, particularly from Optus and Vodafone, according to the Telecommunications Industry Development Authority Telstra absorbed less than half of the domestic production. The growth of competitors to Telstra and the very rapid increase in sales of customer premise equipment have meant an enormous growth in demand.

You lot actually rejected constant pleas from the unions and from certain sections of Telstra to maintain the first phone monopoly. You rejected those cries because you knew that it would not put the industry at risk and you knew that it was very necessary in order to get the price of those services down. The fact is that Telstra is in a very competitive environment. The industry is growing rapidly.

Senator Schacht—You would rather them buy from overseas full stop.

Senator ALSTON—Let us see how you respond to this proposition: Mr Beazley said, 'What do you do if a foreign telco gets itself a seat on Telstra's board?' We have ruled that out. I am sure you understand that. Strategic investors cannot have more than two per cent of the total, so they could not possibly get a seat on the board. Even you ought to know that two per cent does not get you a seat on the board.

What he went on to say was that, if they get a seat on the board and a product is priced at one-tenth the cost of the Australian product, you are putting the shareholders under duress. What an appalling proposition. I would have thought Mr Beazley would be interested in seeing Telstra—

Senator Schacht—You are the one selling out Australian manufacturing.

Senator ALSTON—What you really want, you see, is to continue the sheltered workshop mentality. You want to protect the entire industry, cocoon it—

Senator Schacht—No, jobs.

Senator ALSTON—so that Telstra has to buy domestically even where, according to—*(Time expired)*

Senator TROETH—Mr President, I ask a supplementary question. Minister, is Mr Beazley's credibility on this issue any better than that of the Democrats?

Senator ALSTON—That is a very powerful slur. I do not think I would say that outside the chamber, Senator Troeth. Really and truly, I think even the opposition would blanch at that sort of suggestion because they know not only what Mr Keating had in mind—which was to break up Telstra bit by bit—but that this is the only sensible and rational solution.

If we look at what the Democrats have been saying in recent days, and they particularly should look at today's *Daily Telegraph* editorial as they might get a bit of advice:

> Australian Democrat leader Cheryl Kernot is riding an extremely dangerous tiger as she attempts to assert her minor party authority, a beast quite likely to turn on her and her small band as the electorate watches the government's legitimate legislative program being frustrated.

It talks about it being a valid point to protect consumers and goes on to say that that is precisely what we are doing. So you only have to look at a range of editorials—'Risk to Democrat Tactics on Telstra'—to know that

this lot is almost as bad as the Democrats. *(Time expired)*

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the gallery of distinguished former senators John Stone and Brian Archer.

QUESTIONS WITHOUT NOTICE

Minister for Primary Industries and Energy

Senator BOB COLLINS—My question is addressed to the Minister representing the Minister for Primary Industries and Energy. The Minister for Primary Industries and Energy yesterday confirmed both on the ABC and in the parliament that he is a beef and grain producer. He also quite properly said that 'he would absent himself' from both the discussions and votes of cabinet and its committees in the event that any matter would place him in a conflict of interest.

Can the minister advise the Senate whether the minister's pastoral company receives payments under the diesel fuel rebate scheme? If so, has the minister in cabinet or any of its committees, including the Expenditure Review Committee of which he is a member, declared his interest and absented himself from discussions, in accordance with his undertakings, and any decisions regarding the retention of this scheme? Does the minister's family still retain financial interests in companies with extensive forestry operations? If so, has the minister taken similar action, given the reported current examination by the government of proposals to 'significantly increase' the volume of woodchips exported from native forests in areas such as northern New South Wales?

Senator PARER—Senator Collins would know quite well that I have no idea of the answers in respect to his questions. I would presume, of course, that everyone is aware of the fact that the minister has a farm; it would have to be assumed that he would get the diesel fuel rebate. But I am happy to refer those questions to the minister, and I will come back with a response.

Senator BOB COLLINS—Mr President, I ask a supplementary question. In response to that answer, is the minister aware of the provisions of the cabinet handbook—not the Prime Minister's code of conduct, but the cabinet handbook? Is the minister also aware that the interpretation that a minister is obliged to take properly on any potential conflict of interest is 'a broad interpretation', not a narrow interpretation? And can the minister advise the Senate as to what action the minister has taken in relation to executive decisions he is required to take unilaterally, without reference to cabinet or its committees, where there is a clear conflict of interest?

Senator PARER—Of course the minister is aware of those cabinet requirements.

Land Degradation

Senator SANDY MACDONALD—My question is addressed to the Minister for the Environment. I draw the minister's attention to the shocking illustration of the impact of land degradation outside Yass as published in yesterday's *Canberra Times*. Is the minister aware of the potential impacts of dry land salinity on agricultural productivity and on the environment? If so, what does the government intend to do to combat this problem and prevent more of Australia's farmland from looking like this moonscape?

Senator HILL—I thank Senator Sandy Macdonald for that very important question. Obviously, those on this side of the chamber are concerned about the state of our environment, in contrast to the Labor Party, the Australian Democrats and the Australian Greens.

Unfortunately, I am all too aware of this major environmental problem. The once productive paddock in the picture is affected by the environmental cancer of dry land salinity, which is caused by rising watertables bringing salt to surface soil largely, in part, because of removal of tree cover. When salt reaches the surface, it increases salt loads in our rivers, eliminates remnant habitat as vegetation is poisoned by the salt, and lowers agricultural production as the soil and water become increasingly salinised. Scientists have described dry land salinity as a sleeping

giant—a sleeping giant which is about to wake.

Senator Neal—We cannot hear you.

Senator HILL—You would hear if some of your colleagues were to shut up. Dry land salinity is indeed a problem of gigantic proportions.

Senator Faulkner—We will be able to hear you if you liven it up.

The PRESIDENT—Order! Senator Hill deserves to be heard in silence.

Senator HILL—I think they are just demonstrating their disinterest in the subject, Mr President. Dry land salinity is indeed a problem of gigantic proportions, and it will take a significant financial investment to redress this problem—an investment which, of course, the government wishes to provide but which will be blocked in this place by the conspiracy of the Labor Party, the Australian Greens and the Australian Democrats.

If the other parties in this chamber were to allow us to set up our national heritage trust—with the funding coming through the sale of one-third of Telstra—the government's national vegetation initiative would be able to be put in place. This initiative involves $254 million over five years for revegetation projects over and above all the existing Commonwealth landcare-related programs. In addition to that, $64 million over four years is earmarked to assist voluntary schemes to preserve vegetation which might otherwise be cleared. In other words, a total of $318 million over five years will be spent on combating land and water degradation.

So the government has an answer and it has a program. But the government requires a funding base and we, unfortunately, need the cooperation of this chamber to achieve that. We need the cooperation of the Labor Party, the Greens and the Democrats but, for reasons beyond comprehension, they are prepared to allow this environmental degradation to continue.

Dry land salinity is but another example of what is occurring around this country today. Why these parties will not join us in implementing this major national program which will provide an answer and remedy some of this damage that has been occurring to the Australian environment for so long is, as I said, really beyond comprehension. The hypocrisy of the members of the Labor Party is incredible. As was noted the other day, your colleagues in the New South Wales Labor government are quite happy to sell public assets to set up their own heritage trust.

Senator Forshaw—Oh, what a beauty! One building!

Senator HILL—They are setting up their own heritage trust to do the same sort of thing. It is all right when the Labor Party suggests it but, when it is suggested by the Australian coalition government, the political opportunism makes you be blockers and vote it down without caring about the consequences to the Australian environment.

It is about time these parties which claim to be so committed to the environment took the opportunity to demonstrate that commitment. All that is needed is a simple vote supporting the government in the sale of one-third of Telstra. That would allow us to provide the capital base to set up the national heritage trust for the benefit of all Australians. *(Time expired)*

Election of Senator

Senator COLSTON—My question is directed to the Minister representing the Minister for Administrative Services. Did a South Australian senator on 18 March write to the Department of Administrative Services seeking to appoint a South Australian senator-designate to his staff? Did the senator-designate accept any employment rights or benefits from this position at any time after her nomination for the election? Further, did the Department of Administrative Services on 28 March seek an opinion as to whether the appointment of the senator-designate was in breach of section 44 of the constitution?

Senator SHORT—That is a very detailed and complex question which I will take on notice. I will get back to you as soon as I can.

Senator COLSTON—Mr President, I ask a supplementary question. I thank the minister for indicating that he would give me some

information, but I remind him that this matter was raised in the Senate on 1 May. I ask the minister whether his brief from the Department of Administrative Services lists this important matter.

Senator SHORT—As I said, you asked a multifaceted question which is very complex and very important. For that reason, I will take it on notice and get back to you.

Logging and Woodchipping

Senator BELL—My question is addressed to the Minister for Resources and Energy. Will the government make any alterations to woodchip licence quotas or will this government continue to allow the woodchipping of rainforests?

Senator PARER—I am advised by my office that the woodchip matter is currently under review.

Department of Employment, Education, Training and Youth Affairs

Senator CROWLEY—My question is directed to the Minister for Employment, Education, Training and Youth Affairs. Did you agree with your South Australian colleague, the minister for education, Mr Such, when he accused you and your federal colleagues on 25 April of being ideologically driven in your proposed cuts to your department and said that the planned axing of 2,000 jobs in the department would have a major impact on the works program in South Australia? Have you received any requests from Mr Such to discuss his concerns, and how have you responded to those requests?

Senator VANSTONE—I thank Senator Crowley for her question. I have had a discussion with Minister Such with respect to reports that were in the paper. I am not sure of the exact date of those media reports, but I assume they are the reports Senator Crowley referred to.

There are two important points I need to make to the Senate in respect of Senator Crowley's question. The first point is that Minister Such indicated to me that he believed the article did not properly reflect the remarks he had made. He did not believe it did at all. I indicated to the minister that it was a matter for him to deal with—whether that was through the journalist, the paper, the press council or whatever—and that I thought it was not helpful to have an article like that in the paper if he did misrepresent him.

The second point that not only Minister Such but a very wide number of people would be interested to know in relation to the downsizing that is now under way in my department is this. The reduction in running costs between 1995-96 and 1996-97 is some $100 million. That is a fairly substantial amount of money. Of this, some $25 million has been factored in to cover the government's two per cent across-the-board reduction in running costs and the notional allowance for some other reductions announced during the election campaign, such as consultancies and advertising. Around $75 million in the reductions to the running costs was built into the department's forward estimates by the previous government.

I thank Senator Crowley very much for the opportunity to advise honourable senators, and anybody who has been misled by media reports in the paper or by comments made by Senator Crowley's colleagues, about the downsizing in DEETYA, and no doubt a similar situation is happening in other departments. It bears repeating: of the $100 million in downsizing, $75 million is as a result of the previous government's plans in its forward estimates.

For those people who do not easily accommodate amounts of $100 million and $25 million, because they are very substantial sums of money for most people to comprehend, let me put it in terms of people. Of the 1,285 reductions in permanent staffing which were announced on 24 April 1996, I am advised by the department that some 965 are as a result of decisions made by the previous government. These are the people who get out in the media at any opportunity to mislead the community into believing that the downsizing that now has to happen because of their incompetence is completely a function of decisions we have made. It is worth bearing in mind that the downsizing is a function, in part, of the government's own plans and

equally a function of decisions we have had to make because of their incompetence.

I am equally informed that the 600 non-permanent people were not going to be re-employed by this government. When you add all that up, really, the problem, Senator Crowley, lies with the maladministration of your government—the previous government. *(Time expired)*

Senator CROWLEY—I ask the minister: in light of her comment that it is not at all helpful for misinformation to be published in the paper, I can also assure the senator that it is not at all helpful to have the ideological cuts to those jobs that are being reported. Senator, in the figures that you gave, you also gave some figures about the costs—the implications of those dollars. Can you tell the Senate what is the dollar figure for redundancies?

Senator VANSTONE—I think it will be some time, Senator Crowley—in fact, I am quite sure it will be—before you can have an answer to that question. The position we are in at the moment is this: we are wanting to implement the changes that need to be made to fill Beazley's black hole. There is no point in putting our heads in the sand and pretending that this will go away. There is no point in pretending that we can get employment to rise if we keep running the sorts of deficits that we have been left with by these people opposite—no point at all.

We want to do this in the most organised and sensible possible fashion and, as you well know, Mr President, an indication has been made through the department of the sort of changes that need to be made. If anyone is interested in taking a package, it should be a hands-up process. That is the way we would like to proceed with this. Constant fearmongering and rumour mongering with respect to this process does not make it easier for the people whose jobs are at stake as a function of Labor's incompetence. *(Time expired)*

St Mary's Housing Development

Senator MARGETTS—My question is to the Minister representing the Minister for Defence, Senator Newman. I refer the minister to the current plans to develop the Australian Defence Industries site at St Marys in western Sydney for housing in joint venture with the Lend Lease Corporation. I ask: why is the New South Wales National Parks and Wildlife Service being refused access to that site to carry out their western Sydney biodiversity survey?

Senator NEWMAN—I well know Senator Margetts's continuing interest in this matter as we have shared the estimates committee experience for some time. The situation is, as Senator Margetts would realise, that access to the site at St Marys is determined by the board of ADI, not by the government. The company has advised that the New South Wales National Parks and Wildlife Service did, in fact, request access to the St Marys site.

I understand that a very extensive study has already been conducted by the New South Wales Department of Urban Affairs and Planning as part of the regional development and planning process for the site. Consequently, ADI has suggested, Senator, that that first study be examined to see whether there is a need for a further study, to avoid any duplication in the work. They have also said that they are happy to give access to the New South Wales National Parks and Wildlife Service if that first study proves inadequate. That is the advice that is available to me. I do not know whether there is anything further that you want to know about it.

Senator MARGETTS—I thank the senator for her answer. I remind the senator that Australian Defence Industries is 100 per cent owned by the taxpayers; that the land was bought 100 per cent through taxpayers' money; and that people who pay tax expect that Commonwealth bodies that are 100 per cent owned by the Commonwealth should be looking to the highest levels of standards. If such a study is taking place, there would have to be a very good reason why such a body is not participating. The fact that there are other decisions being made in this body, Minister, would indicate that they might be trying to avoid something. There were issues brought up in that original study. The question is: what basis—what accountability—is there for Australian Defence Industries if they are

unilaterally able to make such a decision? Why isn't the minister involved in telling them what their proper responsibilities are?

Senator NEWMAN—I just saw Senator Ray give a sort of a grin to this question. He has been there before on this matter.

Senator Robert Ray—Give her the same answer.

Senator NEWMAN—Senator Ray, of course, used to represent the shareholders; now it is Mr McLachlan. I do not think I have anything useful to add to what I have already said, Senator. I heard what you have said. It is a view that you have held for a long time. If you want more accountability in the process, I believe that you still have the opportunity to take this matter further in the estimates committee hearings.

Vietnamese Refugees

Senator CHILDS—My question is directed to the Minister representing the Minister for Immigration and Multicultural Affairs. Did the Prime Minister promise the Vietnamese community of Australia that he would support a rescreening of asylum seekers currently in comprehensive plan of action camps in our region, as well as a review of their individual cases? Is it a fact that the camps are being expeditiously cleared, and the asylum seekers are now returning to Vietnam in large numbers? Is it also a fact that both the Prime Minister and the rest of the government have taken no action at all to deliver on the promise to the Australian Vietnamese community—a promise which they knew they could not keep?

Senator SHORT—There are two parts to that question. The first relates to what the Prime Minister may have told the Vietnamese community. I think that refers to a brief meeting which the then Leader of the Opposition had with a group of members of the Vietnamese community in Adelaide when he was there last year. It was reported in the press that that brief informal meeting had taken place. My understanding is that the then Leader of the Opposition, now the Prime Minister, did not give the undertakings that were reported in the press but did take note of the representations made. I will refer your question to the Prime Minister for confirmation or otherwise of what I have just said to you.

With regard to the other part of your question, that is, representation on particular cases, the fact is that for almost the last two years members of the coalition—and, in particular, me, when I was the shadow minister for immigration and ethnic affairs—made specific representations for review on no less than 150 cases that were referred to us by the Vietnamese community in Australia. We made those representations to the regional representative of UNHCR and in each and every instance we have followed those cases as diligently as process will allow. As I understand from the current minister for immigration, he is continuing to do the same and has given the Vietnamese community an assurance to that effect at a very productive meeting he held with them in Canberra last week.

Senator CHILDS—I ask a supplementary question. I thank the minister for that explanation. When he speaks to the Prime Minister, will he ask the Prime Minister whether he did anything to correct the newspaper report, or do we conclude that this is another example of the Prime Minister just saying anything to gain a vote?

Senator SHORT—My understanding is that the Prime Minister did take action to correct that report, but I will need to confirm that. That would put him in a very different league from the current Leader of the Opposition who, as Minister for Finance, right through the election period, along with the then Treasurer and the former Prime Minister, Mr Keating, knew absolutely what the real finances of this country were, and deceived and covered those up from the Australian people, despite the fact that they knew that their economic vandalism had produced a massive hole in the finances of this country that will be repaired at great difficulty by all Australians. That is what we are working on—the repairing of the vandalism left by the former government as a result of its failure to come clean with the Australian people.

DISTINGUISHED VISITORS

The PRESIDENT—Order! In addition to the two former senators whom I introduced

before, I draw the attention of honourable senators to the presence in the gallery of a former distinguished President of the Senate, Sir Harold Young, and former distinguished senators Reg Bishop, Jim Webster and Don Jessop. Welcome back.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Beef Industry

Senator BOSWELL—My question is directed to the Minister representing the Minister for Trade. I refer to the statement by US Agriculture Secretary, Mr Dan Glickman, that he 'would use all the tools at his disposal, including existing short and medium term export guarantees to promote the export of American beef'. How could this increase in US export assistance affect export sales of Australian beef? Is this form of US export assistance allowable under the rules of the World Trade Organisation? What steps can Australia take to protest against this program?

Senator HILL—I thought I might get this question from Senator Boswell because I know of his great interest in these matters. I was sufficiently confident to seek some advice from the Minister for Trade. On the basis of that advice, I can confirm that the assistance package announced by the US administration on 30 April seems aimed at providing short-term relief to the US livestock industry, which is currently in a depressed state.

I am told that the minister understands that the administration has instructed its embassies to look actively at opportunities in eastern Europe, Latin America and the Pacific rim. Attention to these specific areas comes straight after the 1996 farm bill switched the target of export credit guarantee programs from emerging democracies to emerging markets.

Australia's main concern with the assistance package for the cattle industry is that it will use export credit guarantees, amongst the other tools, to promote US exports. It remains to be seen to what extent the expanded use of export credit guarantees by the US will affect Australian interests. The government will continue to remain vigilant about the use of US agricultural export subsidy programs, particularly in key Australian markets in the region.

We recognise that the US beef industry, like Australia's, is facing difficult times at the moment. We understand that the US government is wanting to do something to assist its industry. However, we would be disappointed if the US reverted to the use of dumping to move its surplus product. This would have an adverse impact on prices and therefore would be counter-productive.

We will be very carefully watching to ensure that the US does not do anything inconsistent with its international obligations, including in the way it goes about providing assistance to its industry. We will be monitoring US activities to ensure they are consistent with the spirit of US international agreements.

Tariffs

Senator FOREMAN—I direct my question to the Assistant Treasurer and Minister representing the Minister for Finance. What effect will the three per cent goods and services tax announced yesterday have on the rate of inflation?

Senator SHORT—The announcements by the government yesterday in relation to the tariff concession system changes, which are eminently sensible, were taken after full and proper consultation with industry—unlike what you lot in government ever did. You refused to take industry into your confidence; you refused to talk to people. This government inherited a very damaging fiscal situation. Savings need to be made in all areas. We recognised early on that the former government's proposal to abolish the TCS with respect to business imports needed modification to reduce its undesirable effect on the economy as a whole. To that end we consulted industry as part of an exercise to seek good industry policy which contributes to our revenue objectives and which helps bring the budget into balance, something that the former government never even had a vague concept of doing, let alone recognising its desirability.

So the government announced yesterday that we will continue the TCS for both busi-

ness and consumer goods but at a rate of three per cent, not the five per cent proposed by the former government. The PDL will also be revamped from 1 July 1996. Those changes that we have made will generate savings of approximately the same order as had been earlier proposed.

Senator Cook—Mr President, I take a point of order. My point of order is relevance. The question was quite clear and direct. It calls for a one-line answer—a figure to be given by Senator Short on what the CPI effects of this consumer tax will be. We have had Senator Short on his feet now for nearly four minutes. He has declined to answer. He has taken us on a frolic through all the other propaganda lines that he wants to make. Mr President, I ask you to direct Senator Short to answer the question and, if he cannot answer the question, sit him down.

The PRESIDENT—Order! In so far as I can hear the answer above the constant interjections across the chamber it is relevant. There is no point of order.

Senator SHORT—Thanks, Mr President. I thought if I strung it out for a little while I would be sure to get Senator Cook on to his feet to make yet another crass and stupid interjection. Let me answer the real point of Senator Foreman's question. In 1991 the Industry Commission concluded that, if all tariff concession orders were removed, the general level of prices would increase by around 0.3 per cent. That was at a time when tariffs were much higher than they are now. The latest analysis and calculation of the CPI effect of yesterday's decision are that it will be totally negligible, in the region of 0.1 per cent.

Taxation: HECS

Senator STOTT DESPOJA—My question is addressed to the Minister for Employment, Education and Training. Given the current confusion among the coalition government as to what is and what is not a tax, I ask the minister: do you agree that HECS, the higher education contribution scheme, is clearly within the definition of a tax and can you confirm that the coalition's commitment not to raise taxes applies to the HECS?

Senator VANSTONE—When I went through law school we spent an enormous amount of time having explained to us what was an excise and what was a tax and when a charge or levy—that is, money people have to pay—can be properly described as a tax. I would not set myself up as an authority on taxation law. Senator Stott Despoja asks me to do that and I simply decline to do that.

Senator STOTT DESPOJA—Mr President, I ask a supplementary question. I ask whether you recall your words in this place in October last year when you said to the former government:

> . . . your government deliberately and deceptively hid its true taxation policies from Australians by consistently promising not to raise taxes. After the election, however . . . you raised the Medicare levy, you raised the HECS contribution . . .

Based on your previous assessment that HECS is a tax, will you now confirm the coalition's no tax rise pledge and specifically give a commitment that there will be no increases or changes to the higher education contribution scheme?

Senator VANSTONE—I have nothing further to add to the answer I originally gave.

Immigration

Senator COATES—My question is to the Minister for Social Security. I ask the minister about the government's proposal for a two-year waiting period for migrants. Can the minister confirm that the savings from this are estimated by her own department to be some $260 million over three years? How does the minister reconcile this figure with the $616 billion saving estimated by the Treasurer during the election campaign, a figure which Senator Newman confirmed on 2 April?

Senator NEWMAN—The matter Senator Coates raised was an election commitment. The government has moved to implement that commitment as soon as is possible. Legislation will shortly be coming before the parliament and it will give the senator all the detail he needs to have. At this stage I cannot discuss that with him in fine print detail, but he will have it in the next session of parliament.

Senator COATES—Given that the minister was able to provide a figure on 2 April, why isn't she able to do so now? If the explanation is true, that there is this significant difference, does that mean that there will be additional reductions in social security payments and services to make up for the shortfall of something like $350 million?

Senator NEWMAN—I did not say any particular figure. No doubt I have been reported as having confirmed a figure. I am not sure. I will go back and check the record. I do not want to mislead you but my recollection is that I did not specify a figure. Somebody may have put a figure to me. However, as you will start to learn now that you are in opposition, you do not have the resources that come with being in government. It is a great asset, I must say, to have a department helping you do these figures. When the legislation comes before the Senate, supplementary information will be provided to the senator which will come from the government with the assistance of the department.

Election Promises

Senator MacGIBBON—My question is to the Assistant Treasurer. Does the minister recall in the run-up to the 1993 election the then Prime Minister, Mr Keating, saying, 'What I am promising is not to put up tax.' Did he keep that promise? If he did not, how much did it cost us?

Senator SHORT—I thank Senator MacGibbon for that question because we can never remind enough the Australian people of the broken promises and the web of deceit that were woven by the previous government right through its 13 years. Senator MacGibbon is correct in saying that in the lead-up to the 1993 election, the then Labor Prime Minister, Mr Keating, did say, 'What I am promising is not to put up tax.' It was a key element of the package of measures which Labor sold to the 1993 electorate, as a result of which it lied its way back into office. It was one of the all time con jobs in the political history of this country.

I can inform Senator MacGibbon and the Senate that not only did the previous Labor government break its promise, it broke it time and time again. Indeed, it broke it so often that I cannot, in the time available, inform the Senate of all the tax increases. But let me mention a few of them. Labor increased the company tax rate It put up wholesale sales tax by two per cent across the board. It imposed a further punitive tariff or tax—wholesale tax—on motor vehicles. It increased petrol taxes. It increased the departure tax. It extended the PAYE arrangements.

Not only did it promise not to put up taxes but, prior to the 1993 election, Labor promised two rounds of personal income tax cuts. The second round of tax cuts was due just five months ago, on 1 January 1996. Those cuts would have been worth more than $10 a week for a person on average weekly ordinary time earnings. The then Prime Minister went to great lengths to reassure voters that the tax cuts were genuine. Mr Keating said that these tax cuts—you might remember; I think Australians will never forget—were not only promised but they were enshrined in l-a-w law. That was another one of the great Labor frauds, another deception and another empty promise which Labor never ever intended to keep.

Voters never received the 1 January 1996 tax cuts which they were promised. Those tax increases from the broken promises have been estimated to cost Australian taxpayers more than $7 billion in the 1995-96 financial year and $10 billion in the year ahead, 1996-97. In other words, as a result of those broken tax promises, Australian taxpayers will be paying $17 billion more tax over these two years than they would otherwise have paid. Labor is not just the party of high unemployment and high interest rates; it is also the party of high taxation. Above all else, it is the party of lies, deceit and broken promises.

Senator MacGIBBON—In the light of that answer, wouldn't the minister agree that it is not only a policy of deceit but really inspired economic management that they raised $17,000 million extra in tax, yet went $8,000 million per year into the red?

Senator SHORT—Senator MacGibbon is absolutely right. It seems impossible that a government could break promises and by so doing increase taxes by more than $10,000

million next year and still not be able to balance its books. Yet the Labor Party is the party that proved that is possible. Under Labor's policies, Australia faces not just a deficit in 1996-97 but an $8 billion black hole. Mr Beazley, as the former finance minister and now Leader of the Opposition, oversaw that fiscal irresponsibility of such magnitude that we have that massive hole in our finances. Next year will be the sixth consecutive year of economic growth. The Reserve Bank, amongst others, has said that we should have an underlying surplus—and a substantial one at that. What this government is about is restoring fiscal integrity to Australia in the interests of all Australians. *(Time expired)*

Social Security: Migrants

Senator FAULKNER—My question is directed to Senator Newman, the Minister for Social Security. Minister, since you were sworn in as Minister for Social Security, has your department provided you with estimates of savings on your government's commitment that migrants would serve a two-year waiting period for social security payments?

Senator NEWMAN—The answer to the senator's question is, yes, a variety of options, and you will see what options have been chosen by the government when the legislation arrives in the Senate.

Senator FAULKNER—I ask a supplementary question. Can the Minister explain to the Senate how those costings differ—if they differ—from those provided by Mr Costello before the election?

Senator Bob Woods—Wait and see.

Senator NEWMAN—The answer is wait and see, as I have tried to tell you. Nevertheless, in trying to be more courteous to my opposition shadow, let me just point out that there are a variety of benefits that are provided to people in this country under the social security system, and it depends on what you choose to include and what you choose to exclude as to what the savings will be. That is the information that, no doubt, you will be getting in a briefing very shortly.

Labour Market Program Expenditure

Senator KNOWLES—My question is to the Minister for Employment, Education and Training and Youth Affairs, Senator Vanstone. Is it true that the government has frozen labour market programs and expenditure?

Senator VANSTONE—I thank Senator Knowles for the question. The short answer to the question is no, there has been no freeze by the government on labour market program expenditure. What there is is prudent management by the department of a cash limited appropriation as we move towards the end of the financial year. Members opposite might like to hold their fire to hear the rest of this answer, because it is something I do not think they want to hear.

This point had to be made in an instruction today which the secretary to my department has sent to the network across Australia which delivers these labour market programs. I am happy to table that instruction. Moreover, to a very significant extent the challenge we face in managing this cash limited appropriation within the financial limits is a difficult one and we have to do it in a way which meets commitments to clients and client needs. The problem that we have been landed with is a function very largely of the previous government.

I indicate to you, Mr President, that, in 1995-96, $2.1 billion was appropriated for these programs. It was evident by late last year—that is, not halfway through the financial year—that they were being taken up very rapidly. The previous minister, I am informed, was aware of this, and he did not exercise either of the two courses which were open to him: namely, to decide to borrow forward from the next financial year or to administratively slow the rate of expenditure in order to manage a capped program within the limits set by this parliament. As a consequence, on coming to office I have been faced with a very difficult situation.

It is, I repeat, a function of the previous minister understanding that the money was being spent very quickly and sitting on his hands. He could have either slowed the rate of expenditure or he could have made a

decision to borrow forward from the next year and he did nothing. As the secretary's note records, the government looked at this matter very closely in terms of prudent financial management and the need to meet commitments to clients, because if you run out of money it is the clients who suffer.

We therefore took the step of borrowing forward $30 million from the next financial year. That was a decision I was prepared to make—a decision that the previous minister, Mr Crean, simply walked away from. He had a choice of two options to avoid running out of money and he declined to act. Faced with those choices, I have arranged to borrow forward money from the next financial year.

I am aware of the concerns of clients and stakeholders and senators and members. This is a very difficult situation for everybody, not the least of whom are the clients. I want to point out that the department does judge that the funds allocated should be sufficient to finance ongoing business in wage subsidy programs and to meet commitments already entered into for other programs.

The commitments still allow for a significant number of commencements in the next two months, especially in the brokered and formal training programs. We have to monitor this situation very closely. I remind honourable senators that this problem is a function of Minister Crean failing to do his job. *(Time expired)*

Aboriginal and Torres Strait Islander Commission

Senator BOB COLLINS—My question is to the Minister for Aboriginal and Torres Strait Islander Affairs. Can you advise the Senate whether you sought and received advice from the Attorney-General in relation to the general directions you issued on 10 April under section 12 of the Aboriginal and Torres Strait Islander Act concerning the grant or loan of money by ATSIC? If so, did that advice include consideration as to whether the proposed directions were of an appropriate nature as to be made as general directions; whether those directions amounted to you, as minister, exercising a delegated legislative power not authorised by the act; and whether they conflicted with any sections of the act specifying the powers of ATSIC and the Aboriginal and Torres Strait Islander Commercial Development Corporation?

Senator HERRON—I thank Senator Collins for his questions. I am delighted that former Senator Stone is in the gallery—

Honourable senators—Hear, hear!

Senator HERRON—I congratulate him on his column today and inform him that I had criticised the former minister quite severely. I want to let the former senator know that that has occurred, because it is obvious that he was not aware of that. I draw that to the Senate's attention.

Opposition senators interjecting—

Senator HERRON—I am answering the question—the answer is yes.

Senator BOB COLLINS—I ask a supplementary question. Will the minister table that advice? Can the minister explain why he did not exercise the powers that were already available to him under section 76 of the act to require the Office of Evaluation and Audit within ATSIC to investigate these matters, particularly when, six days after he issued his directions, he admitted to the *Sydney Morning Herald* that he knew practically nothing about the office at all and was completely unaware of its history of referring a whole range of matters to the police and other authorities?

Senator HERRON—It is very sad that the former minister believes everything he reads in the press. So I am very sorry for you that you believe everything that you read in the press. The reason for—

Senator Faulkner—Did you correct the record, Senator?

Senator HERRON—If I went correcting everything in the press, I would spend all my time doing that. I have more things to do than to correct everything in the press, Senator Collins. The reason that I had to appoint a special auditor—

The PRESIDENT—Order! Senator Herron, it would be much better if you addressed the chair. Then there would not be so many interjections.

Senator HERRON—Mr President, I apologise to you for not addressing the chair. The reason that I had to appoint a special auditor was because of the mismanagement of the former government where they swept everything under the carpet. That is in the newspaper today—'Millions failed to fix WA camp squalor'. That is the reason that I had to appoint a special auditor. After 13 years of that rabble over there, we had to do something about the problem, and I had to appoint a special auditor. *(Time expired)*

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

PERSONAL EXPLANATIONS

Senator KERNOT (Queensland—Leader of the Australian Democrats)—Mr President, I claim to have been misrepresented and seek leave to make a short statement.

Government senators interjecting—

Senator KERNOT—Not by any of you charming people.

The PRESIDENT—Leave is granted.

Senator KERNOT—The member for McPherson, Mr John Bradford, in whose electorate I happen to reside, grossly misrepresented a series of votes in the Senate chamber during debate in the other place on Tuesday 7 May, when he said:

> The former government rushed in, with the support of the Democrats, to privatisation of some of what many other people would have regarded as valuable Australian assets, like Qantas and the Commonwealth Bank.

On behalf of both current and former Australian Democrat senators who have been severely misrepresented by these comments, I wish to set the public record straight. The privatisation of both Qantas and the Commonwealth Bank was strenuously opposed by all Australian Democrat senators and this is evidenced both by the Senate *Hansard* of the debates and by the votes themselves. The sale of Qantas and the Commonwealth Bank by the former Labor government was passed through this chamber with the support of the coalition parties, not the Democrats. I hold the misrepresenting of the vote of this chamber to be a serious matter indeed.

Senator MacGibbon—This is not a personal explanation as to where she has been misrepresented. After about three or four minutes not one syllable has been uttered by Senator Kernot on where she has been personally misrepresented.

The PRESIDENT—It is really very difficult for me to judge. As far as I am concerned, she is developing a case. I ask you to continue, Senator Kernot.

Senator KERNOT—Mr President, as the Leader of the Australian Democrats and as a Democrat senator, I claim that we have been misrepresented.

The second point is that I believe we have an opportunity to request the House of Representatives to receive what I have said in this chamber, and that is why I want to put it on the record, because I think it is wrong that this misrepresentation can go unchallenged. The *Hansard* of this place shows differently.

QUESTIONS WITHOUT NOTICE

Election of Senator

Senator SHORT—During question time today, Senator Colston asked me a question which I took on notice. I now have a reply for him, following consultation with Senator Vanstone. You will recall that Senator Bolkus asked a question on a similar matter last week and I understand that the Minister representing the Minister for Justice, Senator Vanstone, will be replying to Senator Bolkus's question on this matter in the Senate shortly and will be conveying this information to Senator Bolkus. I think it gets wrapped up in that.

Minister for Primary Industries and Energy

Senator PARER—Earlier in question time today, Senator Bob Collins raised matters regarding the portfolio responsibilities of the Minister for Primary Industries and Energy (Mr Anderson). My ministerial colleague Mr Anderson has reiterated that all his interests have been properly declared and that at no stage will he allow any of his family financial interests to interfere with his decisions or conduct as a minister.

Family Court of Australia

Senator VANSTONE—On 2 May, Senator Bolkus asked me a question as minister representing the Attorney-General (Mr Williams). I have an answer from the Attorney-General, which I table.

Senator Robert Ray—Has Senator Vanstone sought permission to incorporate that statement in *Hansard*?

The PRESIDENT—No, she said she would table it.

Senator Robert Ray—The normal process is that, when you give additional information, you either read it out or have it incorporated in *Hansard*. You do not merely table it, Mr President.

Senator Faulkner—The usual courtesy that has previously been extended—

Senator Hill—Ha, ha! There was not much courtesy that I can remember.

Senator Faulkner—The usual courtesy that has previously been extended is a minister with an answer would, in fact, approach the senator who asked the question to get his or her acceptance of whatever procedure—given that many of these answers are detailed—for incorporation or tabling. That has been the practice for a long time with each and every minister of the previous Labor government.

The PRESIDENT—It is not a question of standing orders, but it is a question of protocol that is decided between the parties.

Senator VANSTONE—Mr President, the Leader of the Opposition exhorts me to exercise what he refers to as common courtesy. He no doubt knows what is common, but I am not sure he knows what is courtesy. If members would like me to read the answer out or incorporate it in *Hansard* and it is possible to withdraw the request to table it and take it back and do such as they please, to keep the poor things happy, I am happy to do that.

The PRESIDENT—Is leave granted to incorporate?

Leave granted.

The answer read as follows—

ATTORNEY-GENERAL

SENATE QUESTION WITHOUT NOTICE

Senator Amanda Vanstone—On 2 May 1996 (*Hansard* Page 253) Senator Bolkus asked me as the Minister representing the Attorney-General the following question without notice:

During the last election campaign you promised to cut a total of $3.5 million a year from the budget of the Family Court. That figure includes the 2% service wide efficiency dividend and the Family Court's share of the Attorney-General's running cost reductions. At the time you claimed that these cuts 'would ensure a more efficient service for litigants and the legal profession'. Does the Government still stand by your statement in light of the minutes circulated by the Chief Executive Officer of the Family Court on 23 April this year, which advised that the loss of funding would result in a dramatic cut to services, including: the reduction of judicial circuits by some 30%, the reduction in the number of conciliation conferences by 50%, and the cancellation of the delay reduction programs at the Parramatta and Melbourne registries? How do you even try to justify these cuts to the many families in crisis, particularly those in rural and regional areas, that will be affected by your cuts?

In the light of the other cuts announced, such as the closure of the Bendigo and Mackay sub-registries and the reduction of Family Court judges in Tasmania from two to one following the retirement of one of those judges later this year, will the minister explain to the communities of Bendigo, Mackay and Tasmania as a whole how these cuts will make the Family Court more 'efficient', given that that was her statement? Also, what do you say to those family law court staff who will lose their jobs because of your policies?

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

The Government's pre-election commitment to across the board savings is genuine and, by now, the honourable senator should also have appreciated that the need for early and decisive action has become even more pressing in light of the $8 billion deficit we have inherited as a result of his Government's economic mismanagement.

Hard decisions about service delivery will be necessary. At the same time a re-doubling of efforts to reduce inefficiencies and waste are required.

The Attorney-General's portfolio is not immune from the budgetary cuts which are necessary as a result of the previous government's economic mismanagement. All government departments and agencies are expected to shoulder their share of the burden of reducing public sector outlays—the Family Court is one such agency.

The Parliament has made the Family Court a self-administering agency where decisions about the management of its administrative, including financial, affairs rest with the Chief Justice. How the Family Court reduces its spending is, therefore, a matter for the Court.

It should be noted, however, that the size of the spending reduction proposed is relatively small when compared with the Court's total budget. The memorandum of 23 April 1996 from the Chief Executive Officer to staff of the Court, which Senator Bolkus tabled, notes that a 2% reduction in running costs is proposed. The Family Court's Budget this year is approximately $100 million.

Although specific budgetary targets have been set for the Court no direction has been given to the Court on how to achieve the efficiencies necessary to meet these targets. In this respect the Court is treated in the same way as other public sector organisations and, like other departments and agencies, the Court will need to develop strategic plans to meet the targeted cuts, tailored to meet its individual requirements.

The Attorney-General has advised that it is not proper for him to second guess the Chief Justice in the exercise of his statutory powers. He does not intend to comment on the proposals being developed by the Court for savings measures other than to say that the measures by which the Court will meet its targets are still the subject of on-going discussions and that he is prepared to look at any suggestions the Court wants him to consider.

Senator Bolkus also mentioned that the number of Family Court judges in Tasmania will be reduced from two to one. I am advised that the Attorney-General has received no notification of the proposed retirement of either of the two resident judges in Tasmania.

Should either of the judges choose to retire then the matter of a replacement judge in Tasmania would be considered. I am advised that in considering a replacement the Attorney-General would, of course, seek the advice of the Chief Justice to ascertain the resourcing needs of the Court in Tasmania.

Sale of Telstra

Senator SCHACHT (South Australia) (3.07 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Communications and the Arts (Senator Alston), to a question without notice asked by Senator Troeth today, relating to the proposed partial privatisation of Telstra.

The reason why I rise to take note of the answer given by Senator Alston from his own dorothy dixer from his own back bench is that during the course of that answer, in response to some interjections from the opposition, Senator Alston described the workers and the Australian telecommunications manufacturing industry as a 'sheltered workshop'. This is one of the most disgraceful attacks on tens of thousands of Australian workers, and very successful companies, that I have heard for a long time in the Senate.

I know that Senator Alston gets very excited and lets his mouth run away from his brain from time to time, but this is a disgraceful attack on a very successful industry. I would like to refer to a statement which Senator Cook, the former Minister for Industry, Science and Technology, made in August of last year when announcing further details of the progress in the development of the telecommunications industry in Australia. He pointed out in August 1995 that since 1991 the sales of locally manufactured telecommunications equipment had increased from $2 billion to more than $4 billion—and wait for this; this really exposes Senator Alston's ignorance—and exports had expanded from $218 million to more than $970 million and employment in the industry was growing at almost 11 per cent annually.

This is not a sheltered workshop industry. This is a world's best industry competing in the toughest market in the world—that is, Asia—supplying top quality equipment at reasonable and competitive prices. He said that the people in the new emerging economies of Asia do not give you a free kick to buy unless you have the best price and the best quality. The industry's exports have grown over four times in five years to nearly $1 billion. That is not a sheltered workshop industry.

Even in our own competitive telecommunications markets in that 4½ years Senator Cook pointed out that manufactures for the domestic market supplied from Australian manufacturers, Australian workers, grew from $2 billion to $4 billion. These are exceptional figures and it is disgusting for Senator Alston to describe this industry in a throwaway line as 'a sheltered workshop'.

That is why the opposition in the House of Representatives yesterday and today moved an amendment to the privatisation bill. We

want Telstra to maintain 70 per cent of its purchases from Australian manufacturers, small and large businesses, but overwhelmingly small businesses. We want to maintain that 70 per cent. Telstra accepted that responsibility over the last decade under the industry development plans of the former government.

If you privatise Telstra you will not have an industry growing at the rate that Senator Cook pointed out last year—not with a job growth of 11 per cent, not going into export markets. We noted with some interest today that when it came to the vote on this amendment in the House of Representatives all those 95 coalition government members, including the new members, voted against that amendment. They voted against Telstra maintaining its national interest purchasing policies, which give jobs to tens of thousands of Australians, of top quality product.

This is another disgraceful example of how this new government does not understand industry development policies in this country. When the Telstra bill comes into the Senate we will certainly be pursuing the issue of ensuring that Telstra maintains its purchasing policy in Australia in order to maintain Australian jobs. We will make sure that every worker and every manager in the hundreds of companies that manufacture telecommunications equipment in Australia are aware of his description of the industry as a sheltered workshop. It is shameful day for a new minister.

Senator CARR (Victoria) (3.12 p.m.)—I rise also to take note of the answer the Minister for Communications and the Arts, Senator Alston, gave concerning the so-called sheltered workshops of the Australian electronics industry. He has extraordinary arrogance and contempt to come in here and argue that these great enterprises are sheltered workshops. We saw a similar position put yesterday—that is, that somehow or other the public servants of this country are merely people who live on the drip-feed. This is a similar contemptuous attitude towards Australians and Australian industry.

It seems to have escaped the minister's attention that Telstra is currently 100 per cent owned by Australians. The government is proposing to dilute the capacity of Australians to own their own industry, to control their own destiny and to control the way in which this country moves forward.

It has to be understood that in the five-year industry development plan established in 1992 Telstra estimated spending some $10 billion in terms of forward planning but in actual fact it spent over $20 billion. In 1994-95, it spent $3 billion on Australian made goods and services. We have some 1,000 Australian companies that have undertaken contracts of $400,000 or more and some 50 companies with contracts of over $10 million. Some $200 million is spent on research and development. Export earnings from Australian industry has been some $1 billion. Telstra has been pursuing a range of offshore projects, particularly in the Asian region—in Vietnam, Pakistan, India, Indonesia and Taiwan. This minister says that the Australian industry is run on the basis of a sheltered workshop. What a disgrace.

In Australia about 60 per cent of switching, 65 per cent of analogue mobiles, 45 per cent of appliance transmission and 98 per cent of optical fibre comes from local content. We have seen local companies such as Alcatel, Ericsson, Exicom, Siemens, and MIM Cables all producing quite extraordinary levels of expertise and contributing directly to the Australian economy in ways that could not and would not be considered if a foreign multinational got hold of Telstra.

It is quite an extraordinary proposition for this minister to come in here and suggest that our economy is run on the basis of sheltered workshops. What extraordinary arrogance. Telstra is Australia's overseas flag carrier. If foreign owners purchase or have a controlling interest in Telstra through dilution of that basic public ownership we will see those overseas opportunities and the Australian industry diminish accordingly. There are major risks with a privatised Telstra in terms of the domestic market and in terms of Australian jobs. Perhaps as many as 20,000 Australian jobs are directly dependent upon whether Telstra will be put under threat by this government's policies. In terms of overseas marketing, quite extraordinary levels of

investment will be put at risk by this government's policies.

We clearly cannot allow that position to go unchallenged. Quite clearly, this minister works on the presumption that Australian industry is not up to it. He has a contempt for Australian industry, hence the comment about so-called sheltered workshops, he has a contempt for Australians and he has a contempt for the Australian electronics industry. That this government is pursuing this policy is a disgrace.

Senator MURPHY (Tasmania) (3.16 p.m.)—I also want to take note of the answer from Senator Alston and the way he referred to our electronics industry, a very important industry in this country. I would like to read some comments that were made in 1994 in submissions to the Senate economics committee by some leaders from within that industry. Mr Alex Gosman, the Executive Director of Australian Electrical and Electronic Manufacturers Association, said:

The industry's sales in 1993 reached $3.2 billion of which $2.7 billion was to meet domestic requirements—principally those of the three carriers. The industry supplies over 70% of the equipment requirements of the major carriers and major players in Australia.

. . . . . .

Telecommunications equipment exports are growing rapidly—

I think this is what is very important—

They reached $535 million in 1993, a 50% increase on 1992 and up from $80 million just four years ago. Annual exports of equipment and services of $2 billion have been targeted for 1997.

. . . . . .

From the perspective of import-replacement and exports, the industry provided a net benefit to the economy of $3.2 billion in 1993 on a cost competitive basis.

. . . . . .

The foundations on which the industry in Australia has developed lay with Telecom's—

now Telstra's—

(and its predecessors') policy of purchasing its major equipment requirements locally to ensure a reliable supply source. As a consequence many of the major international telecommunications equipment suppliers have invested significantly in manufacturing operations in Australia. By encouraging domestic production and competition, Telecom has fostered an environment where prices are in most instances at world's best levels, a significant achievement given Australia's small market size.

Michael Lamb, Manager of International and Government Section of Alcatel Australia, said:

In Australia . . . the local manufacturing industry size and structure is closely tied to the carriers. The telecommunications equipment industry is the only integrated manufacturing sector of the information industries of any significance. The reason for this is in the fact that the carriers, and particularly Telecom, dominate demand for the wide range of products and service which the local industry can offer. Around 60% of the total value—

it is actually more than that now—

of locally manufactured telecommunications equipment finds its way into public communications networks. It is, by far, the major determinant of the industry's economic health in general and of the scale of Alcatel's operations in particular.

. . . . . .

The challenge in framing—

Senator Alston ought to listen to this—

future policy arrangements towards the equipment industry is to establish an environment which encourages the 'synergy' between competitive carriers and competitive suppliers and to minimise industry fragmentation. To decouple this linkage is to put at risk the positive developments over the past decade and the ability of the Australian telecommunications industry to capitalise on future international opportunities.

I would like to reiterate some of the sales achievements of Telstra and the contribution it makes to this economy. Sales of locally manufactured telecommunications equipment and services have gone from $2.1 billion in 1991 to just over $4 billion, as Senator Schacht said, a year ago. In 1983 Australia exported just $50 million worth of telecommunications equipment and services. In 1990 to 1991 it was $280 million. Last year it stood at $970 million but, more importantly, it is forecast to reach $1.5 billion by the year 2000. Those are the sorts of things that I am sure Senator Alston ought to take account of. I am quite sure that the people working in those industries do not consider them a sheltered workshop in any respect.

Question resolved in the affirmative.

Minister for Primary Industries and Energy

Senator McGAURAN (Victoria) (3.20 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Resources and Energy (Senator Parer), to a question without notice asked by Senator Bob Collins today, relating to ministerial guidelines and the Minister for Primary Industries and Energy (Mr Anderson) owning a farm.

The question asked by Senator Collins, the former Minister for Primary Industries and Energy, was part of a continual attack on an existing minister, John Anderson. Senator Collins was simply saying that, because Mr Anderson owns a family farm, he should withdraw from holding the portfolio of primary industries.

Having heard this attack for the last week, it is worth me standing up and telling the Senate that we in the National Party have deliberately ignored this attack because it has been patently ridiculous and we just did not want to give any credence to the matter. That attack has continued all week, and I think it is important for Senator Collins to know that his comments simply are not getting any bites. They are certainly not getting any bites at all from the rural districts. The former minister's suggestion is so ridiculous that he is really starting to look like a sour former minister who is not accepting losing government very well. His comments are very ungracious and no-one is biting.

Rather, the opposite is true. Mr Anderson has had nothing but support from leading farm groups, such as the National Farmers Federation and the New South Wales Farmers Federation, and the rural community.

Senator Murphy—So what!

Senator McGAURAN—'So what' says Senator Murphy. They want someone who has the practical hands-on experience of Mr Anderson. Isn't that true for all those in this parliament who represent portfolios and electorates? The parliament is made up of a mixture of people, and that is what the Australian public want. They want people from all sorts of backgrounds. It would be patently ridiculous to take Senator Collins's suggestion to its nth degree. Such is the bow he draws, no-one would be able to hold a ministry. They would all be run by public servants. Thank goodness we have someone of the practical experience—I welcome Senator Collins to the chamber—of Mr Anderson.

It should be noted that Mr Anderson is undertaking his duties on a full-time basis. Although he has a family farm, he is undertaking his duties as primary industries minister in a full-time capacity. As Senator Collins knows, Mr Anderson could not do anything else. This is the busiest, most breathtaking ministry of all in cabinet. I think it has more legislation attached to it than that of any other ministry in this parliament. So Mr Anderson could not do anything else but carry out his duties as a minister on a full-time basis.

He comes from the background of his own electorate. He has been able to pick up the experience as his own electorate has just about every primary industry crop or sector: it has wheat, beef, cotton and sheep. Mr Anderson's own property is a wheat and beef property. So Mr Anderson does come to the parliament and to his portfolio with experience. He has been able to get the breadth of experience by representing his own electorate and his own party—the National Party—which was set up to represent the primary industries. That was its sole purpose. The National Party is now 76 years old. I cannot think of a better party to represent the primary industries than the National Party. They are Mr Anderson's qualifications; they are the qualifications that the community are looking for. There is not a better person, Senator Collins, to represent that particular portfolio.

But, more than this, Senator Collins, you are wrong in your very restricted interpretations of the ministerial guidelines. I will read the passage to you in full and not selectively. Under 'Ministerial conduct' at the bottom of page 10—and you failed to quote this particular section, Senator Collins—this is what it says:

Ministers are required to resign directorships in public companies and may retain directorships in private companies only if any such company operates, for example, a family farm, business or portfolio of investments and retention of the

directorship is not likely to conflict with the minister's public duty.

And they do not. You have made much of Mr Anderson's comments on *Countrywide* but you have misrepresented those also. Mr Anderson's comments on *Countrywide* are no more and no less than what any minister would commit to his portfolio. Where there is a serious and definite conflict of interest, of course he will walk out of the cabinet, and so he should. *(Time expired)*

Senator BOB COLLINS (Northern Territory) (3.25 p.m.)—The first thing that John Anderson, in his new role in government, has learnt today is never to get Senator McGauran to defend him if he is in trouble. Why don't you pick the right bit from the *Cabinet handbook*, Senator? This is the book that I worked under myself as a cabinet minister for a number of years and I am very familiar with it. I would also like to quote in response the words of your now leader, the Prime Minister (Mr Howard), when in opposition, about conflict of interest in terms of ministers. You might like to have a listen.

First of all let me say that I have a great deal of regard for John Anderson and have had a perfectly workable relationship with him as minister and shadow minister. This is not a personal attack on John Anderson at all. Can you not understand that, Senator McGauran? It is a perfectly proper raising in parliament of a real problem that this minister has got with his portfolio. There are a great many people, let me assure you, Senator McGauran, that are very well aware of it. Let me quote to you, Senator—seeing as you are so keen on quoting—from the relevant section of the *Cabinet handbook*. That is not the Bible; this is. This is the *Cabinet handbook* produced by the Department of the Prime Minister and Cabinet that binds ministers to a proper course of behaviour. Let me quote from the right section of it:

Apart from these formal declarations—

of pecuniary interest and so on—

Ministers at meetings of the Ministry, Cabinet and committees must declare—

at those meetings, Senator—

any private interests, pecuniary or non-pecuniary, held by themselves or members of their immediate families in matters under discussion, where those interests conflict or might conflict with their public duty as Ministers.

Any other matter which might give rise to a conflict between duty and interest must also be declared.

And listen to this, Senator:

Ministers should adopt a broad interpretation of the requirement that they take into account the interests of family members and all interests of their own when considering whether there is a conflict, or potential or apparent conflict, which should be declared.

I endorse every word of that, Senator. That is what this is about. It is nothing to do with an attack on John Anderson at all. Can you not see that?

The facts are that the same principle applies to cabinet declarations of interest—and it should—as applies in the law. That old axiom of 'justice must not only be done but must be seen to be done' is the same principle. Not only must there not be a conflict of interest but there must not appear to be a conflict of interest. Clearly, there is. The extraordinary answer provided by Senator Parer, when the minister has now gone on the public record and said he will not let his private interests 'interfere' with his duties as minister, is an astonishing thing for the minister to say. He will be hearing more about that, let me tell you, when we sit again. It is extraordinary.

Here is what John Howard said about conflict of interest in respect of then Prime Minister Keating's piggery interests. Barry Cassidy asked him, 'Where is the conflict of interest?' John Howard said, correctly, 'You can have a conflict of interest if the circumstances of a person's business behaviour conflict with their public duties.' That is absolutely correct. That is what the *Cabinet handbook* says. A minister is obliged to take a broad interpretation of potential, 'apparent'—

Senator McGauran—Here is what I read.

Senator BOB COLLINS—Read it, Senator. I will send it around to your office if you want a copy of it. It is available from the Department of the Prime Minister and Cabinet.

Let me put it to you that there is real cause for concern. If John Anderson is a member of the Expenditure Review Committee, as he is, and has a pastoral company in receipt of money from the diesel tax rebate scheme—which I am very familiar with—he should not take part in the deliberations about retaining it. He should not do that if he is a direct beneficiary of the scheme. There is no argument about this under these principles. If the minister's family has, as it does, extensive shareholdings in Boral, one of the biggest forestry companies in Australia, the minister should not be reviewing woodchip export licences.

I am not saying John Anderson should not be Minister for Primary Industries and Energy. I might add that, in terms of the nonsense run by John Howard in the House of Representatives that I corrected the other day, I have never said that. What I have said is that he has got an absolute obligation, on each and every occasion that this arises, to declare those interests. I want to know if he has done so and we still do not know that.

But I will tell you this right now: in terms of my interpretation of the cabinet bible, which I worked under for a number of years, there is an apparent absolute conflict between the minister's family interests and the forestry industry, as indicated by the press reports. At least three newspapers I have seen have said that this minister is currently reviewing whether there should be 'a significant expansion of woodchips'. *(Time expired)*

Senator COONEY (Victoria) (3.30 p.m.)—I would like to continue what Senator Bob Collins has had to say. This is not an attack on the Minister for Primary Industries and Energy, Mr Anderson; it is the upholding of a principle, as has been expounded by Senator Collins to Senator McGauran.

One of the people I have high respect for in this parliament was the former member for Wills, Phil Cleary. The High Court held that he held an office of profit under the Crown, even though at that time he was not receiving any remuneration from that. He was getting no money at all, but he held an office of profit. The High Court said that the appearance of what was going on was just as significant as the reality. Nobody here would hold Phil Cleary in disrepute. The High Court certainly did not hold Phil Cleary in disrepute and the electorate did not hold Phil Cleary in disrepute, because they returned him to office after the High Court made that decision.

What has been said on this side of the chamber, as I understand it, is this: there are rules, there are regulations, there are conventions and there are practices which appear to have been breached. What sort of opposition would we be if we did not raise that issue? We are not raising it; it is the Prime Minister (Mr Howard) who has done it.

I must confess that I feel very sorry for Senator Herron. I think he has acted very correctly and very nobly in giving up his medical practice. He was a great surgeon who held a certain amount of intellectual property. He has now had to take a course of action which will at the very best for him diminish that intellectual property, if it does not take it away completely.

What is the difference between intellectual property and real property? I accept entirely what Senator Herron said in here, because he is a man I hold in high respect. He said, 'I don't profit and I'm not going to profit from the exercise of my intellectual property. I'm not going to benefit from that.' But he was still told by his Prime Minister—and Senator Herron did not question this—to give up that property. What is the difference between that and John Anderson's situation? It is not this side of the chamber that has made the judgment; it is the Prime Minister who has made the judgment. It is our obligation, as a responsible opposition, to raise that question for the Prime Minister to answer.

I think we have to respect Senator McGauran for getting up and, through a wrong perception, defending Mr Anderson on the basis that he was being attacked by this side. We are not attacking Mr Anderson; we are attacking what seems to be the embodiment in him of a breach of these principles that we have been talking about. What are we to do on this side? Are we to say, 'We can pick when we are going to raise an issue and not pick when we raise an issue—issues which are of great importance to the people of

Australia'? Why should Senator Herron be picked out, as he has—and not by this side of the chamber but by that side of the chamber? Why should he be picked out and not others?

We are simply getting up and saying, 'Can you explain how that is consistent? Can you explain how these matters raised by Senator Bob Collins have not been traduced?' I think 'traduced' is too strong a word; I was trying to think of another word that was not quite as strong. Perhaps 'transgressed' is the word. Can you tell us the principle that would allow John Anderson to hold on to his farm yet lead to Phil Cleary losing his seat in Wills?

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate) (3.35 p.m.)—I listened carefully to Senator Bob Collins and I think there is a case of sour grapes. The Minister for Primary Industries and Energy, Mr Anderson, was a successful farmer who has made money; the previous minister went belly up when he attempted to run a farm. So if you want to get down in the gutter, we will go there with you.

Opposition senators interjecting—

Senator BOSWELL—It is not ridiculous. It is a case of sour grapes—a successful farmer verses a failed farmer who attempted to farm and never got to first base. But let us consider what Senator Collins has said.

Senator Murphy—Deal with to the principle.

Senator BOSWELL—We will get to the principle. I listened very carefully to Senator Collins when he read out the ministerial handbook. I interpreted it to say that a minister has certain obligations, and those obligations are that at any cabinet meeting he must declare his interest.

You are not in the cabinet room. I have been in the shadow cabinet room with Mr Anderson and the minister and I have heard him at certain times when he has been debating things declare his interest. I am sure that Mr Anderson, the minister, would declare his interest. I listened very carefully to you. You are saying that he is not declaring his interest. Your argument falls fairly to the ground on that. You have no idea whether he has declared his interest. He does not have to jump through every hoop that you put up. *(Time expired)*

Question resolved in the affirmative.

TELSTRA (DILUTION OF PUBLIC OWNERSHIP) BILL 1996

First Reading

Bill received from the House of Representatives.

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

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

Bill read a first time.

Second Reading

Senator NEWMAN (Tasmania—Minister for Social Security and Minister Assisting the Prime Minister for the Status of Women) (3.38 p.m.)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

This bill is about the Government delivering on its promises.

In marked contrast to the approach taken by the former Government in the cases of the Commonwealth Bank, Federal Airports Corporation and QANTAS we have sufficient regard for the electorate to be up-front about our intentions.

We made crystal clear in our election policy that if elected we would introduce into Parliament at the earliest opportunity legislation to sell one-third of the Commonwealth's equity in Telstra by way of a share float.

This proposal is not about marrying an ideological attachment to private ownership with the necessity to balance the books. Partial privatisation of Telstra is one element of a broader telecommunications policy aimed at giving Australians a world class telecommunications industry, not only in terms of technology, but also pricing and quality of service. The other key elements of our policy are the introduction of legislative and institutional arrangements which will promote competition in the provision of services and preserve and enhance universal service.

We are committed to having legislation in place by the end of the year to establish clearly the framework for a more competitive telecommunications market from mid 1997. That legislation will

continue the Universal Service Obligation in an enhanced form, but we are taking the opportunity in this bill to reaffirm the current requirements placed on Telstra and the other carriers.

Partial privatisation will both benefit Telstra as a company—by making it even more responsive to market signals and better able to compete domestically and internationally—and benefit the Australian public through increased investment opportunities, a more efficient communications sector and reduction in public debt via the sale proceeds.

To these benefits the Government has also added the benefits of a billion dollar trust for the natural environment. The important companion to the Telstra Bill is the Natural Heritage Trust of Australia Bill which will establish a trust for the protection and rehabilitation of Australia's precious natural heritage with the first billion dollars of the proceeds of the sale of one-third of the Commonwealth's equity in Telstra. The Government undertook that the proceeds of the sale of equity in Telstra would be used to retire debt rather than fund recurrent expenditure. The expenditure on the environment planned for this program would be an investment in Australia's capital for the future. Failure to enact the Telstra Bill would, therefore, entail forgoing a unique opportunity to invest in the maintenance and enhancement of Australia's natural capital.

The bill contains a single provision which enables the sale of one-third of the Commonwealth's equity in Telstra. Reflecting the Government's undertaking that it would not sell more than one-third without obtaining another clear mandate at a later election, the bill does not allow the Commonwealth's equity to fall below two-thirds.

The bulk of the bill comprises provisions aimed at safeguarding the national interest in world class infrastructure and services being spread as widely as possible, a smooth transition from full public ownership to part private ownership and proper monitoring of the continuing public investment through the Commonwealth shareholding.

Consumer Safeguards

In "Better Communications" the Government undertook to ensure that a world class consumer framework was in place before any partial privatisation of Telstra was initiated. The Government gave this undertaking not because it considers the partial privatisation of Telstra will jeopardise current levels of service. Far from it. The Government expects the partial privatisation to improve customer service in the industry.

As I have already indicated, the bill reaffirms the Government's commitment to the key consumer safeguard—the provision of universal service. All Australians will continue to have reasonable access, on an equitable basis, to the standard telephone service and pay phone services. The Universal Service Obligation will continue to be funded by the carriers.

Despite some ill-informed suggestions to the contrary the provisions in this bill replicate and reinforce those in the existing Telecommunications Act 1991. There has been no watering-down of the commitment in the USO. Anyone who suggests that USO services should be delivered by anything other than the most efficient and economical means practicable is simply advocating the waste of community resources.

The proposed consumer framework also tackles two other problems. First, it tackles perceived existing problems with carrier performance by establishing appropriate operational requirements and enabling AUSTEL to report on the carriers' performance. Second, by establishing those requirements, it removes grounds for any community concerns that the partial privatisation will affect current levels of service.

Telecommunications is a vital element of our social and economic infrastructure and consumers—quite rightly—want to be confident that the system will serve them.

It is to assure consumers, both business and residential, that the system will continue to serve them well that the Government has undertaken to implement a number of consumer safeguards prior to the partial privatisation. Although these safeguards are being introduced before 1997, they will be continued after that date. These safeguards go far beyond anything offered by the previous Labor Government.

The proposed amendments to the Telecommunications Act included in the bill, together with existing provisions of that Act and the Telstra Corporation Act, provide a world class consumer framework.

I will discuss the consumer safeguards in more detail later, but first I would like to address sale-specific matters and outline other safeguards in the bill which protect the continuing national interest, while facilitating the introduction of limited private equity.

Keeping Telstra Australian

Telstra has a vital continuing strategic role in the national economy. Australia's long term national interest therefore demands that it not simply be sold off to the highest bidder but that it remains an Australian owned and Australian controlled Corporation.

Accordingly the bill amends the Telstra Corporation Act 1991 to:

restrict aggregate foreign ownership to an 11.6667% ownership stake in Telstra (ie 35% of the one third of Telstra equity that can be held by persons other than the Commonwealth);

restrict individual foreign ownership to a 1.6667% ownership stake in Telstra (ie 5% of the non-Commonwealth equity in Telstra);

impose related offence, anti-avoidance and enforcement provisions;

ensure that the Telstra's head office, base of operations and incorporation remains in Australia and that its Chairman and the majority of its directors are Australian citizens; and

enable remedial action to be taken where there has been a contravention of the ownership limits and other requirements, including applications by Telstra or the Minister for Federal Court injunctions and special provisions for prosecution of offences.

These provisions mean that even if foreign interests take up all the shares which are available to them Telstra will remain over 88% Australian-owned and no individual foreign shareholder or associated group of shareholders can hold more than 1.7% of the company. The Government will not permit Telstra to be owned or controlled by foreigners. With the requirements for incorporation, head office and base of operations to be in Australia and for the Chairman and the majority of directors to be Australian, there can be no doubt that Telstra will remain another "Big Australian".

In addition individual Australians will be able to have a direct stake in the company, to share in its growth and through their expectations which will be reflected in share prices spur Telstra to continue to improve its performance. The sale processes will provide for special incentives for individual Australians and Telstra employees to invest in their company.

Telstra and all other licensed telecommunications carriers are required by licence conditions to produce industry development plans that outline the basis of commercially based relationships with suppliers. This requirement is aimed at the promotion of long-term strategic relationships between carriers and suppliers. Under its plan Telstra reported purchases of goods and services totalling $A4.2bn in 1994-95 with almost $A2.8bn or 65% local content. The privately owned carriers, Optus and Vodaphone, have reported comparable or better levels of local content.

The licence requirement for industry development plans will continue after part privatisation.

Shareholder Oversight

Another important safeguard is accountability.

The performance of Telstra, its Board and management will be subjected to the scrutiny of its private shareholders, whose assessments will be reflected in share prices. In addition, as the major shareholder, the Commonwealth will retain the means to monitor its continuing investment on behalf of all Australians.

The bill amends the Telstra Corporation Act 1991 to ensure that the Commonwealth continues to have access to information which is required for oversight of Telstra. The following reporting mechanisms are provided in the bill:

a power to require Telstra to give the Minister financial statements;

notification by Telstra of significant events (forming companies, joint ventures, acquisitions, etc);

obliging the Telstra Board to keep the Minister informed of the ongoing operations of Telstra (with specific powers for the Minister for Communications and the Arts and the Minister for Finance to request specific reports, documents and information); and

a requirement to prepare, update and provide corporate plans to the Minister.

The existing provision in the Telstra Act for annual financial statements required by section 316 of the Corporations Law to be provided to the Minister and tabled in the Parliament will be retained. The Auditor-General will continue to have audit responsibility for Telstra.

The reporting obligations in the bill have been modelled on those in the Commonwealth Authorities and Companies Bill and are consistent with the guidelines for "Accountability and Ministerial Oversight Arrangements for Government Business Enterprises" established by the former government. The oversight provisions in the bill are expressed to apply despite the operation of the Corporations Law, to remove any possible argument that the provision of information to the Commonwealth as majority shareholder may be in conflict with that Law.

Placing reporting obligations in legislation is the most transparent means of retaining access to information on a basis comparable to the current arrangements. Since 1991 Telstra has been a Corporations Law company with an independent Board of Directors, bound by that Law to act in the best interests of the company. This will continue to be the case and Telstra's business activities will operate at arm's-length from Government. The Government does not intend to intrude in the day-to-day running of the company and the access to information is to assist in obtaining a broad strategic overview, monitor the performance of the Board and management, and protect taxpayers' continuing investment.

The Commonwealth's statutory power to obtain information from Telstra will be supplemented by the inclusion of appropriate provisions in Telstra's memorandum and articles for the purposes of shareholder oversight. (These provisions can only be changed by special resolution of the Company with the support of 75% of those who vote.)

The Government will also entrench a provision in Telstra's constitution to enable the Commonwealth to appoint directors in proportion to its shareholding. The Government will take particular care to ensure the directors it appoints possess the necessary mix of business, financial, legal and industrial relations skills to contribute effectively to setting the direction for the company and will actively monitor their performance through the reporting obligations placed on Telstra.

The bill repeals the power contained in Section 9 of the Telstra Corporation Act 1991 for the Minister to give directions to Telstra in the national interest, from the date of sale of the first shares. Retention of the power post part sale would be overly intrusive and incongruous with moving Telstra into a more commercial framework.

Sale Provisions

The final major category of safeguards relates to the processes for sale of one-third of Telstra. The bill provides for amendments to the Telstra Corporation Act 1991 to facilitate the process of selling equity interests in Telstra including:

exemptions from stamp duty;

appropriation from consolidated revenue for costs incurred in the sale process;

capacity for the Commonwealth to take over certain obligations (ie guaranteed borrowings) of Telstra or Telstra's subsidiaries;

requiring Telstra to assist in the sale process;

enabling the Commonwealth to use information obtained from Telstra for the purposes of the sale;

enabling the offer document for the sale of equity in Telstra to be registered under the Corporations Law; and

facilitating alterations to Telstra's constitution and restructuring of its capital to assist the sale process.

In a joint press release the Minister for Finance and the Minister for Communications and the Arts announced the Government's intention to commission an extensive scoping study to enable it to determine the detailed arrangements for the sale including the planning, organisation, management and structure of the sale process.

The bill before the House is drafted so as to provide the flexibility necessary to facilitate whatever detailed arrangements for the sale process are decided by the Government after its consideration of the report of the scoping study.

The Government is determined to finalise the legislation as soon as possible. To await the report of the scoping study before drafting the legislation would jeopardise our timetable for completion of the sale by mid 1997, and jeopardise the availability of the sale proceeds to fund the government's important environmental initiatives through the Natural Heritage Trust of Australia. The Government is confident that by building flexibility into the legislation, whatever sale process is decided on will be able to be implemented.

The bill provides the necessary flexibility in sale arrangements by defining the mechanism through which the Commonwealth's equity in Telstra can be transferred to investors—"Telstra Sale Scheme"—very broadly, so as to include not only conventional single tranche sales, but sales effected through a number of tranches, or through single tranche sales with instalment purchase arrangements.

Instalment purchase arrangements may be necessary if the scoping study finds that the domestic equity markets would find it difficult to cope with equity raising of the order of magnitude envisaged—which we are advised is likely to be at least $8 billion—in a single tranche sale.

The bill allows for a number of different models of instalment purchase arrangements. These arrangements would include models where partly paid shares are initially purchased by investors, with subsequent calls for additional funding being used to obtain the remainder of the proceeds. Other models would involve a so-called "sale scheme trustee" acting as an intermediary to hold the legal interest in Telstra shares for investors following the first instalment of the sale. Investors would pay later instalments to the trustee until the shares were fully paid for, at which time they would be transferred to investors.

The bill would also facilitate the sale being effected through a number of tranches of less than one third.

The bill includes measures to ensure Telstra, and its directors, will, and can, cooperate with the sale process. This will remove any legal risk that the Telstra Board could be in conflict with the Corporations Law by cooperating in the sale of the Commonwealth's equity in Telstra. Moreover, the legislation ensures that Telstra will receive fair reimbursement for any assistance provided. It is also intended that these statutory provisions be further supported by cooperation agreements between the Commonwealth and Telstra and the Commonwealth and individual directors, a confidentiality agreement and an undertaking that the Commonwealth will trade shares only on the basis of a prospectus.

To facilitate the sale process, the provisions in the bill relating to the provision of sale information to the Commonwealth and enabling a replacement of share capital to be implemented and changes made to Telstra's memorandum and articles of association are expressed to apply despite the operation of the Corporations Law. This is intended to ensure that the sale of Telstra shares is not frustrated or delayed by requirements under the Corporations

Law, in circumstances where the rights of shareholders or creditors of Telstra are not materially affected. In all other respects the sale will be conducted by the Commonwealth in accordance with Corporations Law.

The bill also includes a provision to ensure that the Commonwealth is able to "opt in" to Chapter 7 of the Corporations Law and thereby allow a prospectus to be registered by the Australian Securities Commission. This would mean that the Commonwealth would be subjecting the sale of its equity in Telstra to the same rigorous scrutiny that private sector entities face when they seek to raise or sell equity.

When this bill is enacted there will be no possibility of further sell-downs of the Commonwealth's equity without further reference to the Parliament via amending legislation. The Government reiterates its commitment not to seek sale beyond one-third without an express mandate at a further election—this bill gives the Parliament the means to hold the Government to its word.

Consumer Safeguards

I now would like to return to the detailed arrangements for ensuring the interests of consumers are protected.

Continuing safeguards

The new consumer safeguards being introduced by the Government will be in addition to the continuation of several important mechanisms, namely:

The Universal Service Obligation, reaffirmed in the bill, which will continue to require a standard telephone service be offered to all Australians;

The untimed local call obligation, already guaranteed by legislation, will be retained for residential consumers;

Price capping, which requires the prices for a basket of Telstra's main services to reduce by on average 7.5% annually and the prices for individual services to residential customers to decline by 1% per annum in real terms, will continue to apply to Telstra until 31 December 1998 (with a review scheduled for 1997/98); and

General prices surveillance will apply to other industry players.

By amendments to the Telecommunications Act 1991 this bill adds three new consumer safeguards arising from "Better Communications":

Extension to business of the statutory obligation to provide the option of untimed local calls;

The Customer Service Guarantee; and

Extension of AUSTEL's power to make indicative performance standards.

Untimed local calls for business

Residential customers have long had, and will continue to have, guaranteed access to the option of untimed local calls. In contrast, while businesses have generally had access to untimed local calls in the past, they have not had this as a right by law. The Government has recognised that this creates uncertainty for business, especially small business; uncertainty about one of business' most important telecommunications costs.

To provide business with predictability about its basic telecommunications costs, the bill amends the Telecommunications Act to require all general carriers providing local call services to offer all customers—business, residential, charity and welfare bodies and any others—with the option of untimed local calls. This will be achieved by omitting the current definition of "eligible customer" and extending the right to untimed local calls on fixed networks to all customers.

The obligation on carriers will not prevent businesses choosing a timed local call option if that better meets their business needs. The Government is looking to maximise choice, not limit it. The legislation simply means that carriers will need to ensure that if they provide timed local calls they will also need to provide the option of untimed local calls.

This policy will be continued after 1997 and be incorporated in the post-1997 telecommunications legislation.

Customer Service Guarantee

The second Government initiative implemented by these amendments is the Customer Service Guarantee.

The Coalition has long been concerned about declines in many aspects of service, particularly where there is a lack of competition such as in areas of rural and remote Australia. When in opposition, the Coalition played a major role in highlighting the poor service being provided to Australians outside the major metropolitan areas. To address this the Government has decided to legislate for a Customer Service Guarantee.

Telstra already has a similar voluntary connection and repair guarantee. The bill, however, makes three very important changes to these voluntary arrangements:

The Guarantee will be a legislated requirement and thus a mandatory requirement, not a voluntary undertaking;

The Guarantee will apply to all carriers operating in applicable markets, not just those who volunteer a guarantee; and

The Guarantee will be backed up by stiffer penalties.

The Customer Service Guarantee scheme set out in these amendments has nine key elements.

The Minister will direct AUSTEL, by disallowable instrument, to determine performance standards about connecting customers, rectifying faults and keeping appointments.

AUSTEL will determine performance standards, including appropriate exemptions and qualifications.

AUSTEL will also determine commensurate damages, subject to a statutory cap.

Carriers will be required to comply with the standards as a statutory requirement.

Where a carrier fails to meet the standard, the carrier will be liable for damages which may be discharged by crediting the customer's account or in a manner otherwise agreed with the customer.

Where a carrier fails to pay damages voluntarily, the customer will be able to seek damages in the courts.

If the Telecommunications Industry Ombudsman agrees to the role, the Ombudsman (or otherwise AUSTEL) will be able to give an evidentiary certificate which will constitute prima facie evidence of a breach of the standard in any court action.

To enhance consumer choice, a customer will be able to waive the guarantee in a manner determined by AUSTEL.

AUSTEL will be required to review and annually report on the appropriateness and adequacy of approaches by carriers in carrying out their obligations and discharging their liabilities under the customer service guarantee scheme.

It is expected that carriers will regulate their own behaviour in the first instance. That is, should they fail to meet the performance requirements they will be expected to credit the customers account with the amount of damages.

The carriers have entered into an Ombudsman scheme providing for investigation in relation to complaints by consumers about all matters relating to service, billing and the manner of charging for telecommunications services. Under this scheme, the Telecommunications Industry Ombudsman can make a determination that a carrier pay compensation not exceeding $10,000 to a complainant. The Government expects that the Telecommunications Industry Ombudsman, when investigating complaints about matters that constitute a contravention of a performance standard, would make determinations that reflect the customer's rights to damages under the Customer Service Guarantee. This should minimise the need for customers to take court action.

The bill does not, however, directly confer the power on the TIO to make decisions that carriers have failed to meet a performance standard and the imposition of a penalty as a result. Such a decision is judicial in nature and the Constitution prevents the Commonwealth conferring the power on a body other than a court.

AUSTEL will be required to report annually on the adequacy of approaches taken by carriers to discharge their liabilities.

To maximise consumer freedom, the bill also allows AUSTEL to enable customers to waive their guaranteed rights if they wish—for example, in exchange for a rebate.

Upon commencement of the legislation, the Minister for Communications and the Arts proposes to direct AUSTEL to determine standards in relation to the standard telephone service and enhanced voice services, for example, call waiting, call barring and call forwarding, available in conjunction with that service,. This reflects the fundamental role of the voice service in contemporary life and the role of the Customer Service Guarantee in ensuring it is readily available and reliable.

AUSTEL will be directed to specify performance standards and penalties which reflect the Government's policy announced in "Better Communications".

In light of the above spurious suggestions that "a Ministerial Declaration already sets as a condition of a telecommunications licence minimum response times on the provision of services" are puzzling. An examination of the existing legislation shows this is simply incorrect.

Licence conditions for all three carriers do require carriers to publish statements on customer service standards and promptly identify and repair faults (Telecommunications (General Telecommunications Licences) Declaration (No.2) of 1991), and AUSTEL has published guidelines on connection of new services in the context of its administration of the USO.

What we are saying is that this system, which was put in place by our predecessors, has not worked well enough, and needs to be reinforced through specific obligations in legislation which cannot easily be watered down.

The Democrats, in particular, should not have a problem with exposing a new and stronger scheme to proper consideration by the Parliament.

Wider scope for indicative standards

The third element of the consumer framework provided for in the bill is a widening of AUSTEL's existing power under section 38 of the Telecommunications Act 1991 to develop indicative performance standards. The amendments will enable AUSTEL to develop indicative standards relating to matters associated with, or incidental to, the supply of the standard telephone service, goods and services supplied in connection with the standard telephone service, and the supply of other telecom-

munications services which AUSTEL thinks appropriate. These matters will include, but not be limited to, the timeliness and comprehensiveness of bills, procedures to generate standard billing reports and any other billing matter.

The Government intends AUSTEL to use these widened powers to deliver certain Government pre-election commitments in relation to billing.

Ancillary Legislation

An examination has been made of legislation affecting Telstra to determine whether amendments are necessary or desirable prior to the part privatisation.

I am advised that there is no additional legislation which must be amended to enable the sale to proceed. All current legislation which refers to Telstra continues to apply while Telstra remains majority Commonwealth-owned, other than particular provisions requiring liaison by wholly owned Commonwealth companies under the Australian Security and Intelligence Organisation Act 1979 and the Inspector-General of Intelligence and Security Act 1986. It would not be appropriate for these provisions to continue to apply to Telstra as a partially privatised entity. The existing rights of Telstra employees are not affected by the introduction of minority private ownership.

Summary

This bill is a clear indicator of the Government's intent to do all in its power to deliver on its election promises. It would enable the implementation of a policy that was clearly enunciated and debated in the election campaign. It would provide substantial benefits to all Australians as taxpayers, investors and carers for our environment.

The Opposition can hardly claim that there is some national interest to be protected by retaining the company in full public ownership—the former Prime Minister made clear in June 1994 on national television that there was no essential significance in the ownership of Telstra so long as it was subject to the competitive disciplines of the market. Enactment of this bill would continue the process of subjecting Telstra to those disciplines while providing all the safeguards necessary to protect national and consumer interests.

So what we have here is a bill which performs three vital functions for all Australians. On the environmental side the Government is committed to establishing a $1 billion Natural Heritage Trust which will be devoted to protecting and rehabilitating Australia's environment. This is an historic and comprehensive natural heritage conservation program which can only be made possible by the use of the proceeds from the partial privatisation of Telstra.

The money invested in the Natural Heritage Trust will be devoted to capital projects designed to replenish Australia's environmental infrastructure. Specific initiatives to be funded over a five year period will include:

$318 million for a major National Vegetation Initiative to tackle the problems of land and water degradation in Australia;

$163 million to implement the Murray-Darling 2001 project to rehabilitate the Murray-Darling Basin;

$32 million for a National Land and Water Resources Audit, to provide the first ever national appraisal of the extent of land and water degradation in Australia and its environment and economic costs to the nation;

$80 million for the implementation of a comprehensive National Reserve System to preserve Australia's biodiversity; and

$100 million for a Coast and Clean Seas Initiative to tackle the environment problems facing our coasts and oceans.

In addition, all interest earned from the Trust will be devoted to expenditure on environmental projects and the further development of sustainable agriculture, including landcare activities.

At the end of the five year program over $300 million will remain in the Trust in perpetuity, held on behalf of all Australians to enhance the quality of the environment in which we live.

One of the most critical justifications for the injection of private equity into our major telecommunications carrier is the need to achieve a more efficient industry and a more efficient Telstra. Virtually every other country in the developed world and many in the developing world, particularly in our own region, are increasingly recognising that true shareholder accountability combined with maximum competition is the best guarantee of lower prices and higher quality of service. Indeed Telstra is now the only carrier in the top twenty telecommunications companies by revenue in the world, which is not already privatised or scheduled to be in the near future. The onus is on those who have so far been content to hide behind outdated ideological defenses of the public sector, to demonstrate that business as usual is going to be anything other than a recipe for declining competitiveness for our major carrier and inferior consumer outcomes for all Australians.

Telstra is a business. The previous government clearly recognised this in making it a Corporations Law Company in 1991 as was authorised by parliament in the Telstra Corporation Act 1991.

Telstra is Australia's third largest company in terms of turnover (after Coles/Myer and BHP) and largest tax payer. It has total assets of $A24.1 bn (at 30

June 1995), annual revenues in excess of $A14.1 bn and employs more than 73,000 people.

Since incorporation the company has performed creditably posting steady increases in revenues, profits and dividends in the last three financial years. Telstra has achieved this in markets which have been increasingly open to competition but it is also operating in a sector which is growing at around 10 percent per annum which is significantly greater than the economy as a whole.

While there is no doubting the strength of Telstra's balance sheet there is scope for operational, infrastructure and productivity improvements if Telstra is to match world's best practice. Improvements in such areas as operating expenses, digitisation of its network and access lines/revenue per employee are an absolute necessity if Telstra is to remain competitive. They would also translate directly to lower prices and better quality of service for consumers and business.

The Government is convinced that the discipline of having performance reflected daily in the price of Telstra's shares will induce improvements in all aspects of Telstra's performance from its customer focus and service through to its financial management and control of corporate overheads.

This view is supported by recent analysis undertaken by the investment bankers, BZW Australia Ltd, which concluded that:

"Given the rate and direction of change in the industry, the challenges facing Telstra in improving its value and contribution to the community can, in our view, only be fully realised with a degree of private sector ownership."

The experience of privatisation overseas supports this view.

Sir Brian Carsberg, a former adviser to the British Government on telecommunications reform and Britain's inaugural Director-General of Communications, visited Australia in 1995 and said that:

"Telecommunications are far better than they were before privatisation, in terms of value for money, things are incomparably better for consumers."

He added that:

"The level of phone ownership had increased, customer service had improved and the range of products available had grown." and that the British experience had ". . . demonstrated that it is perfectly possible to impose social obligations on a utility."

Finally, the bill is a very positive step towards rectifying our chronic savings problem. An issue which has been the subject of much comment by economic commentators and most graphically illustrated by the Fitzgerald Report into National Savings. The $7 billion which will be devoted towards reduction of government debt, and the resulting public debt interest savings, will demonstrate the Howard Government's determination to achieving a balanced budget and send a powerful signal to both the Australian people and the financial markets that this process has at last begun in earnest.

I present the explanatory memorandum to this bill and commend the bill to the Senate.

Ordered that further consideration of the second reading of this bill be adjourned until the first day of sitting in the Spring sittings, in accordance with the order agreed to on 29 November 1994.

COMMITTEES

Membership

The DEPUTY PRESIDENT—I have received letters from party leaders seeking variations to the membership of committees.

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

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

Economics Legislation Committee—

Senators Jacinta Collins and Conroy to be participating members.

Environment, Recreation, Communications and the Arts Legislation Committee—

Appointed: Senator Ian Macdonald.

Discharged: Senator Troeth.

Participating member: Senator Calvert

Environment, Recreation, Communications and the Arts References Committee—

Participating members: Senators Calvert and Chapman

Foreign Affairs, Defence and Trade Legislation Committee—

Participating member: Senator Brownhill

Foreign Affairs, Defence and Trade References Committee—

Appointed: Senator Troeth.

Discharged: Senator Teague.

Participating members: Senators Brownhill and Chapman

Rural and Regional Affairs and Transport Legislation Committee

Participating member: Senator Brownhill

Rural and Regional Affairs and Transport References Committee

Participating members: Senators Brownhill and Chapman.

NOTICES OF MOTION

Coalition—Election Promises

Senator SHERRY (Tasmania—Deputy Leader of the Opposition in the Senate)—by leave—I give notice that, on the next day of sitting, I shall move:

That there be laid on the table, no later than 4 pm on 30 May 1996, all documents prepared by the Department of the Treasury and the Department of Finance, including since 2 March 1996, regarding their analyses of the costing of the Coalition's election commitments, encompassing both spending commitments and saving commitments.

DOCUMENTS

Auditor-General's Report

Report No. 22 of 1995-96

The DEPUTY PRESIDENT—In accordance with the provisions of the Audit Act 1901, I present the following report of the Auditor-General:

Report No. 22 of 1995-96—Performance Audit—Workers' Compensation Case Management: Comcare Australia and selected agencies.

COMMITTEES

Finance and Public Administration Legislation Committee

Additional Information

Senator CHRIS EVANS (Western Australia)—I present additional information received by the Finance and Public Administration Legislation Committee as part of the 1995-96 budget estimates process.

Foreign Affairs, Defence and Trade Legislation Committee

Additional Information

Senator CHRIS EVANS (Western Australia)—I present additional information received by the Foreign Affairs, Defence and Trade Legislation Committee as part of the 1995-96 budget estimates process.

Economics References Committee

Terms of Reference

Senator JACINTA COLLINS (Victoria) (3.42 p.m.)—by leave—I move:

That the terms of reference referring the matter of outworkers in the garment industry to the Economics References Committee on 31 August 1995 be readopted.

I also seek leave to incorporate a related statement.

Leave granted.

The document read as follows—

Senate Economics References Committee

Inquiry into Outworkers in the Garment Industry

Re-adoption of Terms of Reference by the inquiry into Outworkers in the Garment Industry

A considerable amount of work has already been carried out. Advertising, both in the national press and ethnic newspapers and radio, was carried out in mid-October, and a telephone link for concerned outworkers was established. From this some 30 substantial submissions and some 20 phone calls were received. The Committee has already held three public hearings and has conducted inspections of factories and outworker homes in Sydney and Melbourne.

This inquiry was initially established because of allegations of exploitation of outworkers in the garment industry. Over the last 10 years, the number of people working in their homes has increased dramatically while the number of factory-based workers has decreased. While the flexibility resulting from this change has probably allowed much of the textile, clothing and footwear industry in Australia to remain viable in the face of industry restructuring, a number of other problems have emerged. Among these are allegations of low rates of remuneration received by some outworkers, the unsatisfactory conditions under which they work and the possible involvement of children in the industry. Secondary problems relating to social security entitlements and taxation laws, are also evident.

The Committee believes that this inquiry should be completed. The issues are current and national, and they effect several Federal Government agencies. In the Committee's opinion, the inquiry into Outworkers in the Garment Industry is very much worthy of the Senate's attention.

Accordingly I move the re-adoption of the terms of reference before the Committee in the 37th Parliament.

Question resolved in the affirmative.

DOCUMENTS

Consideration

Question resolved in the affirmative on the following orders of the day without further debate during consideration of government documents:

Commonwealth Grants Commission—Report—Christmas Island inquiry 1995. (**Senator Ian Macdonald**)

Indigenous Land Corporation—National Indigenous Land Strategy 1996-2001. (**Senator Chris Evans**)

AUSTRALIAN TAXATION OFFICE

Senator SHERRY (Tasmania—Deputy Leader of the Opposition in the Senate) (3.44 p.m.)—At the request of Senator West, I move:

That the Senate—

(a) notes:

(i) with concern, the recent announcement by the Australian Taxation Office (ATO) of the closure of 15 regional tax offices,

(ii) the failure of the Coalition Government to intervene to ensure that services are retained in rural and regional areas; and

(b) calls on the Government to direct the ATO to reverse the decision to close the offices and to ensure that services such as these are maintained in rural and regional Australia.

I should make it clear that I am moving a motion that has been presented by Senator West and that she will be participating in this debate. We are asking that the Senate note, firstly, with concern, the recent announcement by the Australian Taxation Office of the closure of 15 regional tax offices; secondly, the failure of the coalition government to intervene to ensure that services are retained in rural and regional areas; and (b), we call on the government to direct the Australian Taxation Office to reverse the decision to close the offices and to ensure that services such as these are maintained in rural and regional Australia.

Since this motion was presented to the Senate by Senator West, it has become apparent that the Taxation Office closures are but one very small part of sweeping changes, shutdowns, that are occurring right throughout rural and regional Australia as a consequence of the new government's approach to budget matters. Firstly, in respect of the Taxation Office—

Senator Newman—You had already made the decision, hadn't you?

Senator SHERRY—I do note, Senator, your interjection. There was a report prepared some time ago. I do not have the precise date. Certainly before you were elected to government the report was prepared on the Australian Tax Office. However, the report was actioned after the new government was elected to office.

If the new government had believed it appropriate, it would have been very simple for the new minister to instruct the Australian Taxation Office not to proceed with the closure of the regional tax offices. To use my own state of Tasmania as an illustration, the tax office in Launceston is one of the 15 regional tax offices to be closed. The distressing thing about this from a Tasmanian point of view is that Tasmania is a decentralised state. The majority of people in Tasmania live outside the capital of Hobart, and it is essential to have services such as those provided by the Australian tax office.

Senator Newman—Why did you let it go through then?

Senator SHERRY—You let it go through, Senator. It occurred after you were elected to government; that is your problem. So that is but one example. Another example is the Family Court in Launceston, which, by the look of things, we will not have for much longer. The Family Court illustrates better than even the tax office the particular problems that rural and regional Australia face. I say that because of what I consider to be some very open but certainly ignorant comments from Mr Len Glare, who is the Chief Executive of the Family Court of Australia. When justifying the closure of the Family Court in Launceston, as a result of cutbacks to services initiated by the new government, Mr Glare said:

Launceston is not far from Hobart, so the impost on those involved in a judicial hearing would not be too great.

There are numerous other quotes from Mr Glare. Firstly, Launceston is two hours drive from Hobart, so it will be inconvenient for people to have to drive to Hobart for their hearings. The Family Court is involved not only in judicial hearings but also in family counselling. That is a very important part of the work of the Family Court. It certainly will not be as easy for people to drive from

Launceston to Hobart to participate in that counselling. Secondly, what about people on the north-west coast of Tasmania, who have to travel not two hours but three to four hours depending on where they live? I am afraid that Mr Glare has an amazing ignorance of geography and the effect of the proposed cutbacks to the Family Court.

These are not the only cutbacks to rural and regional services throughout Australia. Another example from my own state of Tasmania is that of the university. I noticed yesterday that in Hobart and Launceston there were meetings by university staff protesting about the proposed 10 per cent cut to their numbers. This issue must throw some doubt on the future of the Australian Maritime College, which is a very important institution in Launceston. We have a variety of other government offices outside Hobart—

Senator Newman interjecting—

Senator SHERRY—We are doing exactly what you did to us in government. It is good to see that Senator Newman and Senator Calvert are here—and Senator Abetz is walking in and walking out. I wonder whether they have heard about the cutbacks announced today to the Australian Customs Service.

Senator Newman—More speculation, is it?

Senator SHERRY—No, it's not. It has been announced today that 24 out of 63 Customs Service staff are to be axed in Tasmania. It has also been announced that many of the management functions previously performed in Tasmania are to be centralised in Melbourne.

One of the difficulties of the cutbacks in the Customs Service is that the service performs not only a customs function but also a quarantine function. With 24 of the 63 staff going, we would certainly question the ability of the Customs Service to maintain the quality of service. In terms of the quality of service, when the government was in opposition it said that the service was not good enough because there was not enough staff in the quarantine and customs areas. As a consequence of that criticism from the then opposition, the coalition gave an absolute commitment in its election promises not to cut back staff in the quarantine service. This is what is happening in respect of the dual functions performed by the customs service, and it is a very disturbing trend.

What is happening in Tasmania illustrates what is happening and what is going to happen in other areas of rural and regional Australia—certainly in North Queensland, rural New South Wales and other areas of South Australia and Victoria. This serves to highlight the sorts of cutbacks to access to government services in a range of areas—higher education facilities, the Family Court, the Taxation Office and Customs. We have no doubt that there will be other cutbacks to services not just in Tasmania but also in rural and regional Australia.

I suppose what makes the cutbacks more evident in Tasmania is that Tasmania is a distinct geographical and political entity. As a regional economy, it is much easier to measure the draconian effects of the cutbacks that are going to occur. There is no doubt that at least 1,000 direct jobs are going to be lost in Commonwealth employment and Commonwealth instrumentalities in Tasmania. Look at the bravado with which the new government promised to cut 10,000 to 20,000 jobs in Telstra to make it more efficient and easier to privatise. There will be hundreds of jobs lost in Tasmania in Telstra. Add to that the university, the Australian Maritime College and a variety of government departments, and it will very quickly add up to a thousand direct jobs.

What is this worth in terms of the Tasmanian economy? It means there will be about $40 million in wages withdrawn from the Tasmanian economy. We then have the multiplier effect: for every three people employed in the public sector, one public sector job. It will mean less demand in the retail sector in the Tasmanian economy. This is going to be true right around Australia in rural and regional economies. I want to point out that rural and regional economies have had it very tough in the last two years because of the drought.

Government senators interjecting—

Senator SHERRY—Oh, we are blamed for the drought. Typical! You blame us for

everything, including the drought. It is typical of your government; you cannot acknowledge anything good that we did, and everything we did, including the drought, is a consequence of a Labor government. The drought and international commodity prices have had a very deleterious effect on income levels in rural and regional Australia.

At the wrong time, this government is failing to protect rural and regional Australia. Of the promises that the now Prime Minister (Mr Howard) took to the last election, most that he detailed were very vague and ambiguous, but the promise about the quarantine service was quite specific: no cutbacks whatsoever. The commitment was given to promote economic growth in rural and regional Australia. But look at what is occurring: significant cutbacks in federal government services.

I am sure that there are some in the government who would advance the argument that you can cut back the government sector and the private sector will prosper and grow, and that private sector employment will replace public sector employment in rural and regional Australia. It is an interesting theory, but there is no evidence that that has been occurring in rural and regional Australia, certainly not over the past 10 or 20 years. There is certainly no evidence of any economic growth in Tasmania, for example. In fact, there is evidence to the contrary.

Last year, Tasmania had a decline in its private sector economy of about two per cent; that is, there was minus two per cent economic growth in Tasmania last year. As I said earlier, the decline is more easily measured in Tasmania because it is a distinct geographic, economic and political entity. It is harder to measure what is happening in areas of Queensland and New South Wales, but I have no doubt that those areas of Australia had negative growth in the past year, for a variety of reasons.

Why isn't the new federal government issuing an instruction to government departments to take cognisance of its proposed cutbacks in rural and regional Australia? We had Senator Alston yesterday trying to pacify Senator Harradine when he raised this very pertinent point. Why are the majority of the cutbacks that we can identify, to date anyway, occurring in rural and regional Australia? They are not occurring in Canberra. I do not agree with the cutbacks in Canberra—noting that you are in the chair, Madam Deputy President Reid—because I think that Canberra is second only to Tasmania in probably having a greater dependence on public sector employment and its impact.

I do not agree with the cutbacks in Canberra, but why are more cutbacks occurring in rural and regional Australia than in Canberra, Sydney and Melbourne? That is a legitimate question. It is an issue that the new government should be issuing some sort of guidelines—and they certainly have not, as I understand it—to their government departments when they are preparing redundancy and retrenchment provisions.

There is going to be a second wave of cutbacks. Of course we have been told to be patient and wait for the budget, but then we will see all the broken promises. Announced yesterday was a tax increase of $80 million on about 22,000 retail items—a blatant breach of a commitment given by the Howard government. We have been told to wait and see, but there is no doubt that there are going to be significant cutbacks to government programs.

We have started having, and we are going to have, cutbacks in direct employment in the public sector. In Tasmania, as I have said, that is a loss of 1,000 jobs. Those are very significant cutbacks to my state and to other areas of rural and regional Australia. We are also going to have cutbacks in government programs and in tied grants. The Prime Minister refuses to give undertakings about tied grants. There is about $18 billion in tied grants. It may well be in the guise of economic efficiency, reduction and rationalisation that the Commonwealth says to the states, 'We'll give you $18 billion of services but we'll only give you $17 billion of money to fund that $18 billion of services.'

I notice Premier Kennett welcoming this development with great gusto after a meeting with the Prime Minister three or four weeks ago. He welcomes it. He well might welcome

it, but his counterpart in Tasmania, Premier Rundle, does not welcome the prospect of the various tied grants being handed over to the states. Premier Rundle is a bit more perceptive than Premier Kennett is: he knows that they are not going to get anywhere near the same amount of money to fund the same level of services.

In the case of Tasmania, there is about $850 million worth of tied grants. Per capita, Tasmania does very well out of tied grants. It does far better than any other state in Australia except the Northern Territory. I do not have any doubt whatsoever about this: I would be interested to see if my Tasmanian colleagues in the government are willing to commit the government to ensuring that, when tied grants are passed over to Tasmania, the same level of funding is also passed over. I do not think that will happen. In fact, I am confident that it will not. The Tasmanian government will have to fund a whole range of services, such as universities, national highways, roads and other education services, and they will have to fund that out of the Tasmania budget, with probably $30 million or $40 million less.

I am reliably informed by leaks from the Tasmanian state Treasury that the Tasmanian government already has to plug a hole of $30 million for this coming financial year. If another $30 million or $40 million is cut out of services, that is another $50 million or $60 million Tasmania has got to find. I will agree with Premier Rundle on one thing: Tasmania does not have the economic base, the tax revenue or the economic growth to find anywhere between $40 million and $60 million to fund these cutbacks in service.

As I have said earlier, Tasmania is illustrative of the general problem that rural and regional Australia—areas of Queensland, country and regional New South Wales and Victoria—are going to have to face up to. All of these areas around Australia—and I note that most of them voted Liberal or National Party in the recent election—are going to face cutbacks in direct employment and cutbacks in services. We have heard a lot from the new government about the reason for this having to occur, and I participated in debates about the so-called $8 billion in budget cuts.

When John Howard finished as Treasurer in 1983, he left us $9.6 billion in deficit.

Senator West—What is $9.6 billion worth today?

Senator SHERRY—Senator West asks: what is $9.6 billion worth today? It is worth $24.5 billion. Treasurer Howard left us with a deficit of almost $25 billion, representing five per cent of gross domestic product. The alleged $8 billion is less than one per cent.

This alleged $8 billion, the so-called black hole, is as a consequence of a couple of issues. Ninety per cent of it comes about as a result of changed forecasts from Treasury. Treasury downgraded economic growth over the next financial year and the following financial year from 3¾ per cent to 3¼ per cent. It is a result of a change in projections. What happens if, as many private sector economists say, Treasury got it wrong—that, in fact, economic growth is greater than 3¼ per cent and 90 per cent of this so-called $8 billion budget deficit is a consequence of the change in projections by Treasury? In fact, there is a good chance the Treasury could be wrong. I noticed, when reading the ANZ bulletin the other day, they are in fact projecting economic growth in the next financial year of least 3½ per cent to 3¾ per cent. The point is, of course, that a one per cent improvement in economic growth means a reduction of about $2 billion on the bottom line of the budget deficit, and that is a very, very significant contribution.

Another reason for the budget deficit is the fact that, in the last 90-odd years, in their entire history, coalition governments have never had a budget surplus, and they are crowing about it now. The only government to have had a budget surplus was a Labor government. You have had absolutely none since Federation and you are making a big deal about it now.

A contributing factor to the budget deficit is the obstructionism that we encountered when we were in government from the Senate, from current government senators. Any changes to revenue measures they would

claim were a tax. They do not take the same line now, though, I notice after Senator Short's stumble in question time. He could not distinguish between a tariff and a tax. The new government is now claiming, after the announcement yesterday, that $80 million worth of tariff change is not a tax. But when they were in opposition they claimed it was a tax and they berated us for that. They consistently opposed any revenue increase that I can think of—there may have been one or two they did not oppose. Senator Short has just come into the chamber. He may be able to advise us. What we have here is a con job by Treasurer Costello—Costello's con!

They have created a straw man, a false issue, in order to justify resurrecting Fightback. In fact, as I have said earlier in the Senate, Fightback was not dead and buried; it was just in the drawer ready to be pulled out after the Liberal-National Party won the election. Who is falling victim to these cutbacks? It is rural and regional Australia—my home state of Tasmania and rural and regional Queensland.

Mr Acting Deputy President Watson, I noticed your comments on television a couple of weeks ago about the closure of taxation offices. You were vigorously going to oppose it in the estimates committee hearings. I give you credit: you were the only one on your side of government to publicly voice concern. All Mr Smith, the new member for Bass, can do is reiterate the facts. He is not in there in cabinet fighting for Tasmania. At least you, Mr Acting Deputy President, are bothering to do something about it. Where is Senator Newman with her public statements in defence of Tasmania's interests? Where is Parliamentary Secretary Gibson and Mr Miles? They are silent on all these issues all of a sudden.

Senator West—What about Senator Abetz?

Senator SHERRY—They do not put Senator Abetz on the media any more. Apparently he gave 300 speeches in the Senate last year. He boasts about it. As a consequence, he is now at the far end of the government benches. I can see Senator Bell nodding in agreement; he knows the public's reaction to Senator Abetz in Tasmania.

There has been virtually nothing coming from government members and senators. They used to be so vociferous about any change to Commonwealth funding in Tasmania, yet here we are, faced with the most draconian cutbacks in the public sector in Australia's history, and in the main, with the exception of Senator Watson, there is silence from the representatives of rural and regional Australia. Rural and regional Australia has been devastated by drought and low commodity prices. It is facing population decline in most areas. It is struggling economically and it can do without this vicious slash and burn Fightback approach from the new government.

Senator WEST (New South Wales) (4.06 p.m.)—I am delighted to be able to be part of the debate, but I am sorry that we have to have this debate. It is a pretty clear indication that, very quickly into this new conservative government's term, they do not appear to care a great deal about rural and regional Australia and the provision of services to the people of Australia.

We have seen the closure announced in early April of 15 Australian tax offices. We have seen, subsequent to that, the dispute taken to the Industrial Relations Commission and the closures being ordered to be halted because they are in breach of the agency agreement that the ATO had with its workers.

There has been a cessation so that all parties may immediately enter into consultations regarding the strategy to ensure that the services provided by the ATO are delivered effectively, economically and constructively to the citizens of Australia. I think that is a pretty telling indictment of what this government has allowed one of its departments to do. It has admitted in the press that it has made the announcement earlier than it had planned because people had got wind of it and actually started to protest. The people who started to protest are to be congratulated.

I come from the central western area of New South Wales, and we will lose the tax office in Orange. The tax office in Wagga is also to be closed, as are those in Tamworth and Lismore. I can tell you, from monitoring the media in rural New South Wales, that the response has been not only from the employ-

ees of the Australian Taxation Office, but from accountants in the area who utilise the services, information and assistance of the Australian Taxation Office, and also from the people, particularly the pensioners.

Senator Woods—How many have you closed, Sue?

Senator Carr—None.

Senator Woods—A Labor government decision.

Senator WEST—It is one of those decisions which, as I say, was announced earlier than the government had planned to announce it because people had got wind of it. It was not a decision that had been presented for approval by the previous government. The previous Treasurer has no recollection of seeing any material. No material has passed across his desk. So I think it is very important to nail this home very clearly—this is a decision of the department that has been approved by the conservative government and it is a direct attack upon rural and provincial Australia.

As I say, those who are protesting are very interesting because they are groups of people who do not normally protest about the closure of offices. They are the local accountants who are very concerned about what is happening, who have utilised and would like to further utilise the tax office. In fact, they will be asking the government to look at an expansion of the role of the regional tax office. I have also had information put to me by a previous manager of a regional tax office that the productivity level in regional tax offices was far higher than the productivity level of tax offices in the metropolitan areas. I think that is a pretty sad indictment.

With the closure of these regional tax offices, we will also be losing services that they offered, particularly to pensioners. I know that in the electorate of Calare in the last few years taxation officers have visited the smaller communities and towns which do not have a regional tax office to offer assistance, particularly to the age pensioners who are having trouble with their tax returns, who want information, help and assistance. That service has been very well received and has been taken up and used by these people with a great deal of relish. It has certainly done wonders in providing them with the peace of mind to know they are doing the right thing as far as the tax act is concerned. They are able to rest comfortably, knowing they are not making a mistake.

When you are elderly, you do get concerned about things. You do feel unsure about some of these issues. For them to be able to receive the reassurance of these officers from the Australian Taxation Office that they are not making any mistakes, that they are doing the right thing, or given advice such as, 'Well, maybe if you do this slightly differently it will be even better,' that is the sort of information that people in the community want to receive. But that is the information that will be lost to them.

In my motion I call for an extension of services to country areas, not just by the Australian Taxation Office but also by other services. We have seen in recent years the opening of a DSS office in Bourke. I would like to take a fair bit of credit in joining with the communities in that area to push very hard for the minister and the department to open that office. It might not be a very large town but it is a very important town because it services a very large area—the more remote areas of north-western New South Wales and southern Queensland. It is vitally important.

I have been given figures today about some of the cuts in the Public Service. We know there will be cuts to the Family Court. I can see no quicker or easier way of making cuts and saving money for some of these departments and some of these uncaring ministers than to lop off the small outreach services that are provided. I wonder what will happen to the small Family Court office in Dubbo. A question mark remains there. We know the Human Rights and Equal Opportunity Commission is going to suffer cuts. Of course, that is to be expected from a government that does not want people to have rights to complain and rights to seek redress.

I see that the National Crime Authority is going to lose 60 positions and a drop of 16.7 per cent in its establishment. The National Crime Authority is a pretty significant body

in terms of crime prevention and crime investigation in this country, having regard to the work that it does with the other law enforcement agencies. But that is to be cut by over 16 per cent. I will not speculate on some of the reasons why that will occur.

We know that in the Department of Employment, Education, Training and Youth Affairs, now called DEETYA, nearly 2,000 officers will be cut. In which areas will these cuts occur? I will bet they are not cut from administration, but from the service delivery area. I will bet you anything you like there will be cuts to the regional areas. What this will mean is that in rural areas, the Department of Employment, Education, Training and Youth Affairs and the CSS will be able to offer fewer outreach programs. There will be fewer officers able to travel from the regional centres out to the smaller communities.

This will further disadvantage rural people. If they have difficulties with their forms, they will have to wait longer to have problems resolved. If they try to use the telephone, of course, because of the staff cuts, they will have to wait longer to have their call answered—and many of these people are making STD calls. But it appears the government does not care about these people.

We see that 200 will be cut from the Bureau of Meteorology. In the last couple of weeks we have seen a report about the Bureau of Meteorology, outlining their absolutely crucial need for a staff increase so that they can provide the services that are needed. This government is about to take 200 staff away from them, a 13 per cent plus cut in their staff establishment. How is that going to affect this country? How is it going to affect rural people?

We saw some misforecasting recently in western New South Wales in regard to the very large floods that started up around Mungindi in January-February of this year. In the Mungindi-Moree area, we were led to believe, one of the more significant flood events was to have occurred. As is the wont and the ability of the weather bureau, the Bureau of Meteorology, they were able to predict the river heights going down the Barwon-Darling system. So in six weeks time a peak would be at Bourke and in another fortnight or a week's time it would be at Louth and Tilpa and Wilcannia. They could give dates as to when the peaks were expected.

They were quite accurate in regard to the actual dates when the river was going to be at its height, but something happened with their forecasting. The river levels at the lower end of the river did not each anywhere near the predicted heights that were expected from the initial event up around Mungindi-Moree. This has a major effect on those farmers and graziers on that river lower down. They are still in drought. They have basically been in drought for five or six years. When they know that they are going to get major inundation they have to move their stock off the lowlands, off the flood plains. Those stock are weak from the drought. There are shortages of water. It places a great deal of stress on those stock for them to have to be moved.

What happened? In a number of areas the river did not break its banks. Therefore, there was no need for that stock to have been moved. So the stock and the farmers, the graziers, were caused additional work and stress. It would have led to the consequential deaths of stock as well. These people cannot afford to lose stock indiscriminately like that. I am not blaming the Bureau of Meteorology, the weather bureau, for that misforecast but it indicates that sometimes things can be wrong. If they are going to lose staff, we are going to have more inaccuracies of that sort occurring.

The other thing that the Bureau of Meteorology does is provide weather forecasts for a number of important areas, particularly aviation. The aviation industry is very dependent upon the weather forecasts. They help to increase safety in the skies of this country, and people living in rural areas are very familiar with having to fly frequently. Another thing the bureau is able to do is predict frosts in fruit growing areas at the beginning of the season, the end of the winter season, when you do not want frosts. If the growers are told that there is not going to be a frost and there is a frost and they have not taken remedial action, they stand to lose crops.

These are the sorts of impacts that this reduction of 200 people is going to have. It will reduce the mantle of safety for aviation and increase the costs to grazier and farmers.

The Department of Administrative Services is going to lose nearly 500 people. What happens to the rural areas, the regional areas, that have small Department of Administrative Services operations? They are very multi-skilled. They do a great job. We are talking about a tax on employment. We are talking about cuts to employment in the smaller communities, where there are fewer options for re-employment. We are not talking about redeployment here. We are talking about people losing their jobs.

In the health portfolio 530 people, or 6.9 per cent of staff, are to go. We have just seen in New South Wales a plethora of complaints to the health complaints person about the care standards in nursing homes, the indiscriminate use of psychotropic medication in some areas. How does that impact upon the supervision of aged care facilities? How are we going to ensure a national standard? That is what we have a Commonwealth government for, that is what we have a Commonwealth department for—to ensure a national standard in a lot of these areas. It is devastating and terrible that we could run the risk of losing some of these supervisory functions and reporting programs that are not being fulfilled to their highest degree.

There is also to be a huge cut to Worksafe Australia. As I said the other day in my speech during the Address-in-Reply debate—and I will keep repeating it—part of Worksafe Australia incorporates Farmsafe. What is Farmsafe about? Farmsafe is about addressing the occupational health and safety needs of those employed in rural industry. There are three very dangerous industries in this country occupationally: mining, the timber industry and farming. Anybody involved with those industries knows and appreciates just what the dangers in those occupations are. But Worksafe, occupational health and safety, the provision and assistance of information, are all going to be savagely mauled.

A fortnight ago the Deputy Prime Minister (Mr Tim Fischer) went to Wagga and launched two manuals that Worksafe had put together. One manual is concerned with farm operation, so that when there is an accident of some sort people have information readily at hand on what to do regarding first aid. The other manual is for the emergency service workers, those who are going to have to answer the urgent call, the emergency call.

If you cut Worksafe significantly, as has happened here, you are cutting into the occupational health and safety standards of farming communities. I know the popularity of Farmsafe because I have spoken to many farming organisations and women's organisations in country areas which very strongly support Farmsafe.

It is usually the wife, the daughter or sister who gets the first call. It is usually the woman who knows her husband, father or brother is late back on the tractor or the bike. Where are they? They are not coming back from where they should be. It is often the women who have to go out and find what there is to be found—and it can be pretty horrific with tractor rolls and those sorts of nasty things. This government is cutting the assistance to the occupational health and safety provisions and cutting assistance in rural areas. I think that is an absolute shame and catastrophe for those involved. It is something I feel very strongly and very sad about. We also see that the Department of Primary Industries and Energy does not escape. We know the Australian Taxation Office does not escape at a time when it should be doing more. We see also that the Mint is losing staff, the Australian Securities Commission is losing staff and the Department of Veterans' Affairs is losing 90 staff.

I wonder what is going to happen to the rural visits officers within the Department of Veterans' Affairs. Are these cuts going to affect those people? The number of people being treated by and under the care of that department has not dropped, yet the government is going to drop the staff who are providing the services. Rural visits officers for rural veterans is a very popular service, and becoming more so as veterans and their spouses are ageing—and their needs are increasing. As I have said before, there are

cuts in lots of areas. What will happen with the CES and the DSS with cuts to staff? We will see longer queues. Will we see lower standards of service? If there are fewer people to do the same amount of work, what happens? People will have to wait longer.

We are talking about people who have a very strict requirement on them to fill in their forms so they can get their pay each fortnight. If they fill in their forms on time but there is a problem and the forms are not processed quickly enough because of cuts to staff numbers—or the form is not processed properly—what happens? People may find that the computer says, 'Form has not arrived,' because people have not had time to key in the information. No money will be given out.

We are not talking about people who are obtaining this benefit as a supplement to allow them a nice lifestyle, we are talking about people who are obtaining a benefit that is what they have to live on. We are not talking about people who have ready reserves, we are talking about people whose cashflow is basically what they get from the Department of Social Security every week. If you are going to cut the number of staff, you need only one glitch in the computer and you start to cause people not to get the money the day it is due. That will have a considerable impact on people with low incomes. It is fine for us to sit here and make high, pontificating sermons and speeches but we need to remember that what we are talking about is services for people on low incomes.

We have heard there are going to be cuts to Customs. That concerns me. What are some of the things that Customs do? They look for the importation of illicit drugs, illicit weapons and pornographic material. At the time we are trying very hard to reduce the number of weapons in this community, we are going to be reducing the number of people who will be able to enforce the monitoring of illicit importation. It is sad. We will see changes and cuts in the quarantine area. This will have a major impact on Australia. It is quarantine officers at the international ports of entry into this country who screen very carefully to make sure that no food products come in which should not and to make sure we do not have brought into this country blue tongue, foot and mouth disease or rabies—those types of diseases that would decimate our industries and our wildlife.

Senator Murphy—I thought blue tongue was already here—over there!

Senator WEST—It's blue blood over there, not blue tongue. That is the sort of risk we run if we start to tamper with and reduce our level of quarantine inspections. There are also a number of quarantine issues within this country. I am closely aware of the program in the MIA to eradicate fruit fly. Once fruit fly is eradicated, more export markets will be opened to the growers in that area.

What do you want to do? Do you cut quarantine services and slow down the time within which this fruit fly eradication can take place, therefore reducing the number of markets that will be open to our growers? That is a real concern. The Department of Primary Industries and Energy has a number of programs that are going to be cut, including the rural adjustment program. AQIS will be moving to full cost recovery—

Senator Ian Macdonald—Mr Acting Deputy President, I reluctantly take a point of order on relevance. What Senator West is saying is all very interesting and I would like to hear it some time but it is hardly relevant to the motion that relates to the Australian Taxation Office and closures.

Senator WEST—Why don't you read the whole lot. You are too thick to.

Senator Ian Macdonald—I have read it. It refers to the failure to intervene to retain those services—that is, the ATO—and calls upon the government to reverse the decision on ATO services. So whilst it is a very interesting speech, Senator West should be aware that a number of people want to speak on this motion. If she confined herself to the motion, perhaps others would have the opportunity of being able to have a go.

Senator WEST—On the point of order, Mr Acting Deputy President—

Senator Ferguson—Including you, Senator Macdonald.

Senator WEST—Yes.

Senator Ferguson—There is a time limit.

Senator WEST—Yes. The text does say:

. . . the failure of the Coalition Government to intervene to ensure that services—

it does not say which services—

are retained in rural and regional areas; and . . . calls on the Government to direct the ATO to reverse the decision to close the offices and to ensure that services such as these are maintained in rural and regional Australia.

I am talking about a wide range of services. I just highlighted the ATO.

Senator Carr—On the point of order, it seems to me that it is perfectly clear that the proposition does allow for a broad discussion about the loss of services to rural communities as a result of this government's cutbacks. Senator West has indicated that she is expressing concern about the loss of services from the Australian Taxation Office, the Australian Quarantine and Inspection Service and a range of other government facilities that ordinary Australians rely upon on a day-to-day basis. It is perfectly within order, and completely relevant, for her to canvass issues such as blue tongue and other matters that she has raised today.

The ACTING DEPUTY PRESIDENT (Senator Watson)—I rule that under part (b) of the general notice you are in order. You can continue.

Senator WEST—I am sorry, Senator Macdonald, but I think it is important that we do highlight these other services that could be in danger. Another one is family counselling as far as drought assistance goes. There is a possibility of a reduction in that.

Senator Reynolds—Oh, no!

Senator WEST—Yes, Senator Reynolds. Senator Reynolds and I are from two states that have been suffering drought for a number of years. We know that this is a very important program to people in rural areas that are suffering from these hardships and these problems. Drought is an awful situation. That is what is likely to happen.

We also had a promise prior to the election by now Minister Anderson, and it was in the *Land* newspaper, that Countrylink would be abolished. Countrylink is the 1-800 number that provides information to people across Australia on services that are provided by the department of primary industry, but also by a lot of other departments. It is that first point of contact for people.

Senator Ferguson—It is something they totally supported when we introduced it.

Senator WEST—That is what I thought too. There has actually been a review which showed that something like half of the farmers in this country had used it. It was getting 70,000-odd phone calls a year, but that is in danger of being lost.

I also ask what is going to happen to the Australian Country Information Service. This is an area that is, I think, of extreme benefit to country areas. There is a service in Cobar and there is one in Brewarrina. This is a single-desk office which provides a focal point in that community for the services and the programs that are offered by the Commonwealth government. I ask: what is going to happen to that? It is vitally important that we do not lose those offices.

We know that, on the Australian Taxation Office issue, members of the coalition had a meeting with Mr Carmody this morning.

Senator Reynolds—Oh!

Senator WEST—Yes, they had a meeting with Mr Carmody. I hope that they were pleading with Mr Carmody to maintain those Australian tax offices, but it would be very handy if the government would just direct the ATO to maintain those ATO offices. It is vitally important. Most of us, though, would like to see an enhanced role—

Senator Abetz—You're misleading the Senate.

Senator WEST—Senator, I know what some of your colleagues have been saying in the media.

Senator Abetz—You are saying a 'failure to intervene'. If we had a meeting with Mr Carmody, we had intervened.

Senator WEST—You had to intervene. It has been very interesting in the last few days reading in the media around Australia about members of the government—who will shortly be in opposition if they keep up this

performance—trying to get the tax office to change its mind. They are obviously still trying to get the tax office to change its mind. They are the government, and the pips are squeaking fairly loudly over there because the communities do not want to see the tax offices go. They do not want to see an erosion of any services in their areas, and that is vitally important.

I think it is worth repeating the comments by Senator Sherry, in case somebody decides that the reason for these closures is the economic legacy we allegedly left. There was a $4.9 billion forecast—and I just told you about forecasts with the weather bureau—but they forget to say that $2.5 billion of that forecast is not a forecast: it is cold hard money because last year they refused the government the ability to make cuts to the savings announcements. They cut $2.5 billion out of the budget last year on the savings provisions. That is the sort of thing that we are having to put up with. In fact, they themselves are the people who are responsible for the economic situation they are in.

What about the promises that they made, which they said they would keep? What are the effects of their actions going to be on country areas? I would urge them very carefully to watch it and to keep making sure that, in fact, they do not find their constituents are losing and being attacked. This is a very highly commendable proposition, and I urge members of the Senate to support it.

Senator IAN MACDONALD (Queensland) (4.35 p.m.)—If the motion stopped at subparagraph (i) of paragraph (a), then I would have been very happy to have supported this motion. I view with a great deal of concern the recent announcement by the Australian Taxation Office of the closure of 15 regional tax offices. As Senator West has said, the coalition has been doing something about this decision by a bureaucrat, the Commissioner of Taxation—a man who has brought to this decision the typical capital city, golden triangle, bureaucratic approach. Mr Carmody says he has had to cut things. This was the legacy of the previous government—and this decision was made during the term of the previous government.

I might just say, in passing, that it is rather strange that Mr Carmody chose not to announce the cuts until after the election. One may draw some conclusions from that, which I would not want to do. I will say this: Mr Carmody felt compelled by the constraints and mismanagement of the previous government to make economies. In a typical capital city bureaucratic fashion, he has decided that the cuts should be made in regional Australia. I am totally opposed to that and so are most of my colleagues in the coalition. That is why we have been meeting with Mr Carmody to try to do something about it. It is a pity my colleagues opposite did not do something with Mr Carmody either now or before the election, when they possibly had some control. It is a concern that the mismanagement of the previous government—Mr Beazley's $8 billion black hole—is exacerbating the problems and causing a lot of concern in country areas.

I know there are a lot of people who want to speak on this. I do not want to spend the next half hour, as the previous speaker did, on completely irrelevant matters. I want to confine my remarks directly to the closure of Australian taxation offices.

I am very concerned, Mr Acting Deputy President, as I know you are in your state of Tasmania, about the situation in my state of Queensland. As a senator, I seriously and very genuinely uphold my duties to look after the state of Queensland. Whether they be decisions of Mr Carmody, the Commissioner of Taxation—decisions of the previous government forced on Mr Carmody, as they are in this instance, or my government—I am concerned to ensure that Queensland is not disadvantaged, and particularly regional Queensland and regional Australia.

That is why I am concerned at Mr Carmody's decision to close taxation offices in Toowoomba, Mackay and Cairns. It was pointed out to me by a media person in the city in which Senator Reynolds and I spend some time that maybe it will be a good thing for Townsville, because the closure of these regional offices may well mean an increase in the branch office in Townsville. If there is an increase in Townsville, then I will be more

than happy about that because it is a very effective office in Townsville.

It really does show that you do not have to be a bureaucrat in Sydney or Melbourne to be able to administer the tax act properly. The tax act can be administered just as well from Townsville, Toowoomba, Mackay, Cairns, Launceston, Bendigo, Ballarat or any of those regional places. It does not need to be administered from the capital cities, as it increasingly was under Labor, and not just the Taxation Office but all parts of the Commonwealth bureaucracy where the bureaucracy was concentrated and centralised in the golden triangle of Sydney, Melbourne and Canberra. That does not have to happen. It is just as easy to administer the tax act from Cairns as it is from Sydney.

The people who are qualified to administer the tax act do not just live in Sydney and Melbourne. People in Cairns, Bendigo, Launceston, Parkes and Toowoomba are just as capable and effective bureaucrats as those living in the capital cities. Mr Carmody and other bureaucrats have to understand that the old Labor inspired system of centralised control in big centralised bureaucracies in Sydney, Melbourne and Canberra is not the way that the new government will operate. The concerns shown by the coalition members in these meetings with Mr Carmody is meant very much to demonstrate that.

I have the greatest respect and appreciation for my colleague Senator Short who has taken a very close interest in this matter. He has listened very intently. It is not his decision. It is not a decision of the government. It is a decision of the Commissioner of Taxation, a bureaucrat who feels compelled to do this because of the mismanagement of the previous Labor government and the enormous waste that it perpetrated upon the general finances of Australia.

Not wanting to prevent others from speaking on this, I will conclude my remarks, again with a warning that I and most of my colleagues in the coalition view with very great concern the decisions by bureaucrats to cut and close these taxation offices in regional Australia.

I should say in closing that I did have a commitment out of the building at 4.30, so I have to leave now, much as I would like to have waited and heard the comments of other senators in this debate. But I do apologise in advance. Perhaps if the mover were to amend the motion to leave out subparagraphs (ii) and paragraph (b), then I am sure the motion would obtain unanimous support in this chamber.

Senator REYNOLDS (Queensland) (4.42 p.m.)—I was listening to Senator Ian Macdonald, my opposition colleague from North Queensland, and I was somewhat confused because sometimes when he was addressing the issue I felt that I agreed with him and that we could have some cross-party support on this issue. But then when he said that he would agree with the further centralisation of taxation matters in Townsville, I had to disagree with him.

Furthermore, when he said that it was the Labor government that centralised all Public Service issues in the capital cities, I thought where have you been for the last 13 years? It is quite clear as you look around Queensland and every other state that it was the Labor government that was committed to decentralisation. I know that is the case from my own experience of travelling all over Queensland and seeing services established so there was an equity of service between cities and regional and rural areas. Taxation is symbolic of the possible reduction in regional and rural Australia of other services in areas such as child care, age care, youth, veterans' affairs, the environment, migrants, and Aboriginal and Islander people. We saw a decentralised philosophy during the 1980s and into the 1990s.

I was constantly arguing for more decentralisation, not less. While I acknowledge the very good work that was done in those years, I was at times frustrated that there could not be further decentralisation and, indeed, more localised decision making. That is where I come back to Senator Macdonald's comments about bureaucratic decisions being made in Canberra, Sydney or Melbourne—and I would agree with him on that.

Today the coalition government and the opposition are having a philosophical debate about what the public sector means to Australia. For the Australian community to have rational and equitable service provision, you have to have a strong public sector.

Too often in this place you hear coalition senators talking about real jobs. I do not know what they mean when they talk about real jobs. A job is a job is a job. Whether you choose to work on a part-time basis or a full-time basis or your job is not ongoing, you are still working.

We hear the coalition referring to so-called real jobs. I think Senator Vanstone was referring to this point when she said that the new government would be providing more jobs through the small business sector. We all support the small business sector. We need to work in partnership with the small business sector, but is the small business sector going to provide jobs in respect of aged care, schools, counselling and health care?

I think there needs to be a complete reassessment of just how important the Australian public sector is. Australia's public sector is already small by international standards. I confess that in the past few years I was concerned when I heard ministers on my side of politics say that the public sector had decreased under our administration. Our public sector is already small by international standards. Australia's public expenditure, tax levels and public debt are amongst the lowest in OECD countries—that is, the major industrialised countries which have similar living standards to Australia.

We have to make up our minds whether or not we want a strong public sector. If we do we have to be prepared to pay for it. If we want to improve employment levels, there is no use cutting jobs in the public sector. For every public sector job loss there is one private sector job loss.

I am particularly concerned about the closure of taxation offices in Mackay, Rockhampton, Cairns and Toowoomba. I sympathise with those speakers who have spoken about closures in other states. I am very aware of the importance of this local service, particularly to elderly people.

The closure of the four Queensland tax offices means that, for example, pensioners will not get prompt advice on their superannuation rollovers and they will be worried about getting advice on estate matters if one partner dies. They will have to deal with these matters on the telephone. Are they going to drive from Toowoomba or Rockhampton to Brisbane? Are they are going to drive from Mackay and Cairns to Townsville? This places enormous stress on people who are used to decentralised taxation services and other services in other fields.

It really does come down to a question of philosophy. I come from Townsville, which is the third largest public sector community in the country after Canberra and Darwin. I know just how important the public sector is to the economy of my community. There is a very substantial Defence Force presence in Townsville. I see from certain papers that have been circulated that up to 1,200 defence jobs could go. Where will they come from? I hope they are not going to come from Townsville because that would have a devastating impact on the local economy.

The coalition government went into the election on, among other things, the platform of creating more jobs. Yet within weeks of taking office the coalition is looking at cutbacks in so many areas and trying to con the Australian public that it is a $8 billion black hole.

Let us look at the pre-election commitments made in the coalition's document entitled, 'Meeting our commitments'. They said there would be one per cent productivity cuts. They said there would be two per cent running cost cuts. They said that there would be cuts to information technology and they made a commitment to cut specific programs.

They have the belief that you do not need government intervention, you do not need a strong public sector—it can all be done via market forces and through small business. They believe that small business—scattered as it is throughout Australia—can somehow create these new jobs. At the same time they are dismantling jobs in the public sector.

I am concerned about many services. I am concerned that those government departments

that have to cut staff and reduce travel costs will not be able to service regional Queensland. I always argue that Queensland is the most decentralised state. I have disagreements with my Tasmanian colleagues in that regard because they seem to use the same description for their state. Having been born in Tasmania, I have something of a dilemma in that regard.

Queensland is a huge state and there are limits on communication and travel which puts an enormous burden on people when they need information and access to services. I think that this debate is extremely important because it highlights the impact that dramatic cutbacks in the public sector would have on rural and regional Queensland. I do not agree with the proposed dramatic cutbacks in the public sector in Canberra, Sydney or Melbourne because I think a strong public sector means strong service provision for Australian citizens.

I am particularly concerned at the disproportionate cut that impacts more severely on people in rural and regional areas. Those communities are already more fragile in terms of their access to services, notwithstanding the excellent efforts that were made at decentralisation in the past 13 years. But it is not good enough. If you now start to undermine that level of service provision, particular people will be disadvantaged.

I have a particular concern about the Family Court. When I first came into this place, I went to an estimates committee meeting and asked some questions about provision of Family Court services outside Brisbane. In 1983, when the Labor government came to power, there were no Family Court services outside Brisbane. You can imagine the impact that had on families going through the trauma and stress of divorce proceedings. Yet it has just been announced that one Queensland provincial Family Court, at Mackay, has been closed and another is under threat in the wake of budget cuts, which are having the greatest effect on regional areas.

Visits by judges, court staff and counsellors to rural and regional Queensland are rumoured to be cut by up to 50 per cent. This is by a government that talks of family values and keeping the family together. When it comes to practising what it preaches, it is prepared to sacrifice families in terms of a 50 per cent cut to Family Court services in Queensland. No doubt that philosophy applies in other parts of Australia.

The state's Family Court administration has been shifted from Brisbane to Sydney. So it is not just a matter of decentralisation of services in rural and regional areas; it is a matter of a major administration being transferred from the capital city of Brisbane to Sydney. I understand there are comparable moves in other parts of the country.

Court officials have warned that these cuts will most likely be followed by another round of significant service reductions later in the year. A staff memo from Family Court chief executive officer Len Glare last month set out cuts worth $3.524 million.

A major effect in Queensland has been the closure of the Mackay subregistry. A Family Court source said that it is likely the Rockhampton subregistry will close in the next round of cuts. This would leave Queensland with just two courts: Brisbane and Townsville. There is a comparable situation in relation to the tax department.

From the work I have done over a number of years and from seeing constituents at a time when they are most stressed, I know the three areas that stress people the most in their daily lives. The major one is marital breakdown. That causes, as we know, a great deal of stress and can, in extreme cases, result in tragedy. The second is taxation. Over the years I have had in my office many people who have been very concerned about taxation. I know why there has been a decline in the number of people who come to me with their tax concerns: service provision has been made available. In the 1990s we do not receive the same number of letters or have the same number of constituents visiting us that we did in the 1980s, when there was not this decentralisation of taxation. The third area of major trauma for constituents is caused by immigration matters.

I am very pleased to support this motion. Coalition senators have been talking to Mr Carmody. I acknowledge that reflects their concern. But we have to ensure there is a

commitment by the new government to the public sector. I thought the public sector is what we are all here for. What is the point of having a federal parliament making decisions if we do not have a strong public sector to implement those decisions and provide services to the Australian public? That is what our role is all about.

Dramatic cutbacks in the public sector are rumoured and there is ongoing talk of real jobs being created by small business. I have every admiration for small business, and I am sure that small business will do its bit in terms of job generation. But small business cannot do it on its own. A strong public sector and a strong private sector have to work in partnership.

Therefore, I hope Mr Howard and the coalition ministers who have responsibility for the August budget are listening—perhaps not to opposition senators; I would not expect that. I certainly hope they are listening to senators like Senator Ian Macdonald. I hope they also read the *Hansard* of past contributions by senators in this place when they were advocating service provision in rural and regional Australia.

Senator COLSTON (Queensland) (4.59 p.m.)—I am pleased to support the motion moved by Senator Sherry. My remarks will principally be about the closure of regional tax offices, especially as they affect Queensland.

I would like to go back to the election campaign first, however. At one stage during the election campaign—as we all know quite well—Mr Costello said that there would be 2,500 staff reductions in the Public Service but that the reduction would not be achieved by forced redundancies. That was not accepted in the ACT, where there are about 15 per cent of Commonwealth public servants, and it was suggested at the time that the electorate of Namadgi had gone because of that announcement. All three electorates in Canberra returned Labor members, and that was against the trend of the election in the rest of Australia. Whilst one knows that there are a great number of public servants and people dependent on public servants in Canberra, one must remember that the greater part of the Commonwealth Public Service is outside Canberra.

The undertaking of a reduction of 2,500 staff does not have any currency now: staff positions which have gone and which have been foreshadowed greatly exceed that 2,500. As early as 10 April—five to six weeks after the election—there was an announcement that 15 regional tax offices were to close. For the record, these are: Ballarat, Bendigo, Cairns, Elizabeth, Horsham, Launceston, Lismore, Mackay, Mt Gambier, Orange, Rockhampton, Tamworth, Toowoomba, Wagga Wagga and Warrnambool.

I would like to concentrate on what this means in Queensland. Queensland is a greatly decentralised state. In fact, the capital city does not have half the population of the whole state. Four out of those 15 taxation offices to be closed are in Queensland.

Starting in the north of Queensland, the first office I will mention is Cairns. Cairns is a popular growing centre which has a population of about 42,000 people. I would like to know what the local member said to his constituency about the elimination of the regional taxation office in his city. The local member there is, I understand—I have not got used to them all yet, but I will—a Liberal member, Mr Warren Entsch. I think that he should be explaining to the people in his city why people in regional areas cannot have the same service as do people in other parts of the country. We are told that people from Cairns can now go to the post office and pay their taxation. That is fine, but what if they want some advice on a particular taxation matter? They are not likely to get much from the post office.

We then go to Mackay. Mackay is a thriving centre of 23,000 people, and I would like to know what the new National Party member, Mrs De-anne Kelly, has said to the local people about the closure of the taxation office in her city.

The next city south is Rockhampton. At about the time of Federation, Rockhampton was considered to be a possible state capital if Queensland were divided into three states, and it is still a major centre. Rockhampton is the gateway to central western Queensland

and it has a population of approximately 61,000 people. Rockhampton is popularly known as the city where the railroad runs down the main street. It is not quite the main street, but the railroad does run down one street. Rockhampton is a very pleasant city.

Again, the residents of Rockhampton can pay their tax through the post office, but where do they turn to for advice? Do they make phone calls? Those of us who make phone calls or who hear about the problems our constituents have in making phone calls to offices know that inevitably there are delays. They can write and hope for a reply. I would like to know what the new local member there, Mr Paul Marek, said about the withdrawal of the services to the people of Rockhampton.

The other place where the taxation office is to be withdrawn is Toowoomba. Those who have been to Toowoomba know that it is a pleasant thriving city located on the eastern edge of the Darling Downs. It has approximately 87,000 people, but they will now be denied a local branch of the Australian Taxation Office. What my good friend the Liberal member, Mr Bill Taylor, said to his constituents about the decision I do not know, but I am hopeful that those government members have been agitating to try to have this decision reversed.

I would like to mention one other centre which is not on the list, and that is the Gold Coast. It is of interest to me, because that is where I have my electorate office. The Gold Coast was not one of the centres where an office was closed, and there is a simple reason for that: it does not have a branch of the Australian Taxation Office. Despite the Gold Coast city population of about 330,000 people, it does not have a taxation office, and it seems to me that an office is overdue. The Gold Coast has an Australian Taxation Office presence once a week when officers drive down to the Gold Coast, but I am fearful about what might happen to that once a week service now.

The announcement which has been mentioned this afternoon was made by Mr Carmody. I am not quite sure whether this was his idea of keeping sweet with his new political masters or whether it was for some other reason. He says that staff will be offered positions elsewhere. It would be interesting to know where that might be when staff numbers are collapsing throughout the country like a house of cards.

Mr Carmody must be able to provide detailed answers about alternative employment for Australian Taxation Office officers in regional areas whose positions have now disappeared. He must be able to answer those questions when the estimates committees sit later this year. We will want to know where staff have obtained employment, whether they had to move, and whether they obtained employment at all.

Whether this matter was initiated by Mr Carmody or not, the withdrawal of services from regional Australia does not seem to have been opposed by the Howard government itself. It may be opposed by some members of the Howard government—the people who are close to these regional cities—but it does not seem to have been opposed by the Howard government itself. If the government does not reverse this decision, it will pay the price for its arrogance to people in regional areas.

Senator BELL (Tasmania) (5.08 p.m.)—The focus of this motion is on the Australian tax office and, within Tasmania, it has a direct effect on the city of Launceston. Mr Acting Deputy President, you know that during this debate in the Senate we have had, for the most part, two very effective advocates for Launceston in particular and Bass in general—that is you and Senator Newman.

Senator Murphy—What about me?

Senator BELL—We will just leave you aside for the moment, Senator Murphy. I want to draw the Senate's attention particularly to the two senators I have mentioned. I remember Senator Newman's passionate and very effective advocacy for the Scottsdale materials research laboratory, operated by Australian Defence Industries. It was a particularly effective piece of advocacy that Senator Newman took part in and which defeated the arrogant and centralised move by ADI to relocate part of the functions of that industry to Melbourne.

I know that because I joined Senator Newman in her campaign. I also know that other senators in this place did so too. It worked. It enabled the Scottsdale materials research laboratory to defeat the attempted justification advanced by ADI. Some figures were produced, there were some economic calculations, there was an occasional suggestion of efficiency and there were internal reviews quoted; but these were all to no avail, because ADI was unable to demonstrate that the relocation was a sensible, practical and useful thing to do. The laboratory remains operating in Scottsdale at the moment. It was demonstrated that centralising the function to Melbourne would not be an appropriate thing to do. But at least ADI attempted a justification for this unilateral effort it was making.

In this situation described to us today, about the closure of 15 regional tax offices, I have yet to see any objective information advanced to justify these cuts or any of the multitude of percentage cuts being applied willy-nilly, it seems, to a number of departments in the Public Service across Australia. It is not as if there is a report which says that there are 20 people here or 100 people there who are surplus to requirements because of these reasons or because this service is not required by the public anymore. There are no indications of objective evaluation of the service which is being provided, the performance of the staff and how it is in excess to what is necessary.

In fact it is quite the contrary, and I know that you are aware of this, Mr Acting Deputy President. There is a report entitled *Service delivery*. It is a report by the Senate Finance and Public Administration References Committee, which I chaired. The committee inquired into service delivery in the Public Service in Australia. During the conduct of that committee's inquiries we noticed that there was some disquiet and community concern about the level of service provided and what measures should be taken to ensure that proper service, the service which Australians are entitled to expect, could be actually delivered.

I am sure all honourable senators have taken great note of this report, because it is a significant report. I cannot understand how anybody who has read this and has taken notice of it would endorse in any way the sorts of cuts to our Public Service that we are hearing being proposed by the government. I remind the Senate that on page 12 of that report an employee of the Australian tax office told the committee:

> Devolution, decentralisation—I think they were inevitable directions for the organisation. People wanted service; the community wants service. You cannot persist with a sort of central command type system with everything just sort of coming up to the national office for decision. We were just drowning in that.

Further on, the same witness described what has happened under the devolution-decentralisation model. The witness said:

> They have allowed us to get closer to our clients and start to focus on their needs much more than we have ever been able to.

On page 14, paragraph 2.41, the committee's unanimous conclusion states:

> In the Committee's view, devolution and decentralisation have had a mixed impact on service delivery by the APS. Geographically, decentralisation has the potential to give greater access to services in the regions.

There were many other conclusions that we reached, and I will read some of those shortly. But I would have thought that such a natural conclusion to be reached would be one that would influence any government's decision-making, particularly if those who participated in this inquiry were able to demonstrate the contents of this report to their colleagues.

I know that other aspects of the committee's inquiry had a particular effect on the members. I share with you, Mr Acting Deputy President Watson, your concern about the efficiency dividend which was being applied by the government across the board. One recommendation that received particular support from you was recommendation 2.47, which recommended that:

> . . . special problems of small agencies be taken into consideration when applying the efficiency dividend.

I supported you in that and the committee did as well. There was some publicity about the efficiency dividend, and I know that feeling was shared unanimously across the parties. I

also know that the general public was particularly concerned about that and drew our attention to it. In light of that, I cannot understand how the decision makers in the present government could possibly justify moving away from recognising that concern.

The committee also found that we agreed with the Department of Finance and some of the other agencies which are described as central agencies. We agreed that there was a need to continue to monitor and maintain information which would enable the Public Service to make proper decisions about the allocation of resources. It was all very well to talk about best practice across the system, but it was very strange to find that the paths for finding out what best practice was were a little disconnected and hard to find. That led to other recommendations in the committee report which centred on the concept of there being a need for central agencies to monitor resources, share resources and disseminate information.

It is ironic that the Commonwealth ombudsman and the Department of Finance were among the earlier targets of cuts to the Public Service. It is hard to understand how monitoring can be conducted if the central agencies are denied the resources to do it. That makes us wonder whether the cuts will deliver the efficiencies that are suggested because, if you cannot monitor, how can you make effective and efficient decisions?

The Australian National Audit Office comes into that category as well. Paragraph 3.13 on page 14 of Audit Report No. 26 from 1994-95 states:

> A further difficulty experienced during the audit was that although the total numbers of Inoperatives may have been available, details on the types of leave taken by officers was difficult to collect. This was especially a problem in agencies that have extensively devolved, such as the Australian Taxation Office (ATO) and AG's, and in agencies with manual personnel records.

That led us to the situation where the ANAO was unable to determine whether the level of inoperatives in the Australian Public Service was 7,000 or 10,000. An estimate even suggested that it could be 20,000. If that information had been available to ANAO, then the right decisions about these cuts would have been easier to make. But without the accuracy of that information, I wonder how anybody can justify the cuts.

I would like to mention one other thing briefly, as I am aware that others would like to speak on this. I would like to direct the Senate's attention to a letter I received from the Family Law Practitioners' Association of Tasmania. It goes along the same lines as the other decisions that I have alluded to—that is, there seems to be no justification and no reference to objective information. This organisation wrote to me regarding the closure of the Launceston Family Court. They wrote:

> In order to meet the requirements of the second round of expenditure review requirements of the Government, the Family Court hierarchy on the mainland has proposed the closing down of the Launceston Family Court. It is alleged that this will save about $750,000.00.
>
> The consequences for Tasmania of this proposal are grave in the extreme. They include:
>
> * The loss of 10 full time positions.
> * Extra solicitors' fees of travelling to Hobart of the order of $2,000.00 per matter.
> * Significant inconvenience and personal expense to litigants travelling to Hobart.
> * An unnecessary geographical barrier blockading access to justice for northern Tasmanians.
> * A doubling of the already excessive delays in obtaining trial dates.
>
> The alleged saving is illusory because the work of the Court in the north of the State will still have to be carried out in Hobart, which will need an injection of funds for necessary infrastructure and further staffing. The cost of redundancy payments alone will significantly impinge on any perceived cost savings.
>
> Furthermore those already suffering the trauma of marriage breakdown in Northern Tasmania do not deserve this shoddy treatment. Never before in the history of this State have Northerners had to go to Hobart to obtain justice.

I quoted from that because I know that you would be familiar with that case, Mr Acting Deputy President.

I could continue in a fashion that has been adopted by previous speakers, but I think it is important to allow others to bring another perspective to this debate. I just wanted to take the opportunity to contribute to this debate because, being a Senator representing Tasmania, I thought the regional aspect

needed to be emphasised. It is important also for the Senate to acknowledge and remember that the inquiry into service delivery would have led any objective reader to draw the conclusion that the last thing we needed was cuts to the Public Service.

Senator MURPHY (Tasmania) (5.20 p.m.)—I rise to support Senator West's motion with regard to the closure of services, including tax offices, around this country in regional areas. In doing so, I would like to refer to a story in the *Examiner* of 13 April. It features yourself, Mr Acting Deputy President Watson, with the headline 'Senator says taxpayers will be worse off'. I would just like to read a few lines from that article. It states:

> Northern taxpayers will face added costs and be far worse off with the Australian Taxation Office closure, according to Liberal Senator John Watson.
>
> A recognised superannuation and taxation specialist in the Federal Parliament—

which is true, Mr Acting Deputy President. It continued:

> . . . Senator Watson said people sometimes have to wait up to half an hour for service such as tax hotlines, and just give up in frustration because it is costing them money in lost time.
>
> "In terms of logistics, it is a lot easier for the tax office to close down regional offices than make cost effective changes at the central office. I am very disappointed by this decision," he said.
>
> Senator Watson said the tax office itself fostered the concept of self assessment by taxpayers, but in order for this to work, people needed the personal assistance of taxation officers.
>
> "They need a regional office so they can take in their papers and forms when they want help from the tax office. This is not something you can do over the phone. So what do they have to do, make a special trip to Hobart," he said.
>
> "Regionalism of the public service is consistent with the tax office's concept of self assessment by taxpayers, because it saves the office a lot of money in scrutiny time etc," Senator Watson said.
>
> "But now they want to close the Launceston branch it will put more responsibility on the taxpayer, and they will be worse off.
>
> "The taxpayer now will be faced with added costs because of penalties imposed because of faulty or incorrect returns lodged," he said.
>
> People will have to start relying more on accountants or tax agents which attract fees, and if they don't use an agent or accountant, they stand to lose out by selling themselves short on deductions through mistakes, giving up in frustration or through ignorance of very complex laws," Senator Watson said.

I know, Mr Acting Deputy President, that you have always been a critic of some of the tax laws. The article goes on to state that the:

> . . . branch will close, along with 14 other regional offices around Australia.
>
> The office gave reasons such as tax payments can now be made at post offices, larger branch offices provide a higher standard of service, and the ATO's budget for 1995 can't afford to pay all existing staff.
>
> As well, new technology such as the advent of toll-free 1300 telephone services and electronic funds transfers from bank accounts provided better ways of delivering services.
>
> The ATO stressed that the closure had nothing to do with the Howard Government's mooted changes to federal public service numbers.

That is not something that they said later on. Of course, Mr Acting Deputy President, at least two of your colleagues from Tasmania, Senator Newman and Mr Warwick Smith, the federal member for Bass, where the Launceston office is located, had certain things to say. In another article in the *Examiner* on 16 April it states:

> Social Security Minister Senator Jocelyn Newman said the decision was made by the previous Government and although she was disappointed it was not up to her to change the decision.

That is very interesting. Of course, Mr Warwick Smith, the federal member for Bass, also said:

> . . . the decision was made on the basis of studies done under a Labor government in 1991 and 1993 . . .

Mr Smith further said:

> . . . the decision was made by Taxation Commissioner Michael Carmody.
>
> "The decision was his and his alone to make and was without any involvement of the Federal Government.

He got that right; he actually got that right. At that time we were in government, and it was no decision of ours—unlike the claims that a number of people have tried to make in here today by saying 'Oh well, it was under you lot that these decisions were made'.

That is not true. The fact is that, even if it were true, even if the decision of Michael

Carmody had been brought about by studies that he entered into whilst we were in government, that does not mean to say that you people, the coalition now in government, cannot change those. It does not mean to say that you cannot direct the tax office to change its decision.

Of course, the Launceston tax office does not employ a lot of people, but it is worth noting that more than 50 per cent of those people live north of Oatlands in Tasmania. Yet the tax office in Hobart employs some 400 people. I know that the coalition's position is to ensure maintenance of services to regional Australia. But unfortunately, in your first eight weeks of government, you have not demonstrated one iota of anything like that commitment. In fact, every step you have taken thus far has led to a reduction in services in regional Australia.

I am rather curious as to why Warwick Smith, the member for Bass, said, on Tuesday 7 May, in relation to the Australian Tax Office—and I will quote from this article:

> . . . similar moves had been made before the election by the Australian Tax Office bureaucracy, but that their plans to close the Launceston office was now under review.

I do not know whether the government has it under review; I do not think it has. I understand that there has been a meeting with Michael Carmody. But as to the review at that time Mr Smith did not know. I would have to say that again he was caught short misleading the people of Bass. The only review that was going on at that time was a review by the Australian Taxation Office itself, based on a decision of the Australian Industrial Relations Commission. They directed the Australian Taxation Office to review their closure arrangements on the basis that the AIRC were of the view that the tax office was in breach of industrial agreements it had with its employees. But of course that did not worry Mr Smith. He thought there was an opportunity for him to pick up and say something that was, in fact, not happening.

But it ought to happen; the government ought to review this decision. Yes, I totally agree with you, Mr Acting Deputy President: there ought to be a tax office in Launceston, and it ought to employ more than the few number of people it currently employs. Not only will the people of Launceston now have to travel to Hobart, but what about the people who live on the north-west coast of Tasmania? That is a significant number, and it is an even greater trip for them. For them, it could mean eight hours of travel to get to the tax office in Hobart, if that is where everything is going to be centralised.

Of course, the tax office is not the only thing in Launceston that has received a mention for closure. The other little area is the Family Court. The Family Court, again, is the subject of a recommendation. At least the hierarchy of the Family Court were honest enough to come out and say that their decision was based on the requirement of the now government to achieve the requirement of a two per cent reduction in expenditure.

Again, Mr Smith, the member for Bass, gets a run on this issue. For some time he did not say anything. Yet in the year prior to 7 May he castigated us no end when there was the possibility that the Launceston based judge would not be replaced. In fact, the real question at that time concerned where the judge would live. He wanted to live in Hobart and we at the time said that it was not a matter for us to determine where the person lived but rather to ensure the services were provided.

On 7 May, Mr Smith said—this is prior to the federal election—that if the coalition were to win government, he would ensure, in fact he would guarantee, the future of that court. He would guarantee that there would be a Launceston based Family Court judge.

He did not say anything for a while, but when we got the notice of closure, he was able to come out and say, 'The Attorney-General is considering these things. Maybe we will see a lower form of judiciary set up in the form of a magistracy. It is not my decision.' I contacted the Attorney-General's office, and said, 'In the light of the Attorney-General's consideration, does that mean there will be a magistrate based in Launceston?'

They said, 'No, that does not mean that.' We are not only going to lose the Family

Court, but we are still not going to get any replacement at all. There are 10 jobs involved, and all of the costs associated with the Family Court matters. Yet, if you look at the circumstances in terms of the population base and the number of matters that the Family Court deals with in Launceston, vis a vis those that are dealt with in Hobart, the number of matters dealt with by Launceston court exceeds that of the Hobart court.

Again we see this shoot-from-the-hip approach. There has been no real assessment of what is needed. You are the government now and you have to front up to the people and make some decisions and demonstrate that you have the capacity to deliver to them the government that you promised, because you did make certain promises to regional Australia. You were the ones that were always critical of us, so it is vitally important that you stand up and be counted. I urge you, Mr Acting Deputy President, and your colleagues, on behalf of Tasmania, to give them the government you promised.

Not only do we have the problem with the Family Court and the Taxation Office, but another very important aspect of our economy in Tasmania—and, I would suggest, an aspect of national importance—is the matter of the Australian Maritime College and the Australian Maritime Engineering Cooperative Research Centre. Launceston and Tasmania are very lucky to have a very important facility in the Australian Maritime College. It does a lot of marvellous work. It has been at the leading edge of research for the development of catamarans. It has led and assisted the development of our catamaran building industry in Tasmania.

Some time prior to the election, the then government set up a program to assess applications from cooperative research centres around this country—seven in all. An independent panel assessed applications for certain proposals. The Australian Maritime Engineering Cooperative Research Centre Ltd won one of the grants worth $14.5 million from the Commonwealth government. It also received some $500,000 from the state and, of course, it proceeded with the development. It is a very important development and it is worth mentioning some of the things that show just how important it is.

As we know, in 1994 all countries, along with Australia, declared their rights to exclusive economic zones. In our case, this takes into account 200 nautical miles from our shores, giving us one of the largest exclusive economic zones in the world. It is an area greater than the land mass area of this country, so it is very important that we stay at the leading edge of research in the maritime industry. It is also worth noting that the maritime industry contributes about $20 billion to the economy. It has been forecast that this contribution will increase to between $50 billion and $85 billion by the year 2020.

This facility is of great importance to us. Our shorelines not only have some very important wealth generating opportunities, but they are some of the most sensitive coastlines in the world. It is fundamentally important that we maintain these sorts of programs. But what has the government done? It has said the $14½ million is up for review. The AMC has already entered into memorandums of understanding with two other countries on the basis of this facility proceeding. Yet the government simply cannot see its way clear to come out and tell them that this money is safe, that it is not going to take away this grant of $14½ million.

It is very good to see Senator Campbell here because he understands the importance of these things. The facility should be assured that it will not lose that money so that it is able to proceed with the development and to seek work from around the world. It will be a world first, in terms of a third generation maritime hydrodynamics facility, and one of great importance.

What has Warwick Smith, the member for Bass, said about that? Not a thing. But today's *Examiner* finally ran a story with a photograph of Senator Newman about doubt over the funding. The AMC have had, as I understand it, a number of meetings with the minister, Mr Peter McGauran, and the senior minister, Mr Moore, but have been unable to secure any indication from them that this funding will remain. Yet Senator Newman is reported to be in support of it. Senator New-

man is a senior minister in the government. Senator Newman ought to get on and not only be in support of it, but make sure that we do not lose it.

People would know the state of the economy in Tasmania and, in particular, in Bass. Bass is not a government centre. It does not have the employment generated from government services. In fact, it is going to lose more and more of those. This development represents a total of $17½ million in infrastructure development. It will generate a significant number of jobs in the building stage and then there will be quite a number of jobs associated with it in the long term. It is vitally important to the community there that this does not fall down and not get built and not deliver to that community.

The member for Bass ought to be ashamed of the fact that, as a minister in this government, he is not able to secure that funding. He is not even able to come out and say he can secure that funding. That is ridiculous. We were able to. The former member for Bass, Mrs Sylvia Smith, I and others were able at least to deliver many things to this community and to the state of Tasmania. What have we seen since you have been in government? Nothing but taking it away.

I would like just to remind those members of your federal election promises as they relate to Tasmania. I refer to what is called 'The Tasmanian package' which was launched by the then Leader of the Opposition, Mr John Howard, on 7 February 1996. On page 2 it says:

Commonwealth Facilities in Tasmania

A Coalition Government will examine high profile capital works projects for Commonwealth departments and agencies already in the pipeline that could be located in Tasmania to redress the fact that the State has often been overlooked for the relocation or establishment of federal agencies.

This is very important because Senator Newman, Mr Smith and everybody else on the other side of the chamber say, 'Oh, it is your fault! These decisions were made when you were in government.' Well, just let me read this last bit:

In this context, the Coalition will review the Labor Government's decision to close HMAS Huon in Hobart.

I have to say that the greatest service that the HMAS *Huon* provided in Hobart was to the former member for Denison, Mr Michael Hodgman. It was a place where he could go and buy cheap beer and cigarettes. I really think that was about its best effort. Mr Hodgman, who is now a member of the state parliament, could not even convince the state Liberal government to do anything about the closure of HMAS *Huon*.

Do not sit over there and say to us, 'It is your fault.' You have the capacity. You say you have the capacity. You said before the election you had the capacity to review decisions that we made. Why don't you start demonstrating to the public of Australia, and to my state in particular, that you are prepared to do it? Why don't you start coming out and telling us what high profile capital works projects we can have? What are you telling us instead? We cannot have a taxation office in Launceston or a family court or funding for an Australian Maritime College CRC. It is not a very good start.

Another area that is very important to Tasmania is this question of its airports. We have two FAC operated airports in Tasmania. When we were in government, we gave a clear undertaking to ensure that the state was not disadvantaged in any way. We gave an undertaking that those airports could well be placed in local ownership. I was a member of a committee in the north and participated in one in the south which looked at what type of structuring process we would like to see, as a Tasmanian community, take place for the handing over of the airports under the previous Labor government's arrangements in terms of leasing the major airports.

I know that the committee has sought from the now federal minister undertakings that he would ensure that those airports will be handed over locally with no charge and that this government will commit to some funding for infrastructure development in the longer term. They were the sorts of commitments that we gave. What have we heard about that? Nothing. Not a word. No commitment. Of

course, prior to the election, it did get a mention in 'The Tasmanian package':

> A Coalition Government will support the separate, and preferably local, ownership and operation of the Hobart and Launceston airports.

It was only two lines, but it was better than nothing. I would like the government to come out and tell Tasmania if that is going to proceed and if, indeed, it can be considered as part of the high profile capital works projects that you might give Tasmania some money for, instead of just taking these things away. You have given other commitments in your little Tasmanian package. One that I was rather interested in was this $49½ million, over three years, to subsidise cars travelling backwards and forwards across Bass Strait.

A calculation was done that was based on 249 kilometres at 35c a kilometre—the going government rate of payment for the use of a motor vehicle for travel. That worked out to about $150 for each one-way trip for a car. So if you took your car over on the boat, you got $150; if you took it back, you got $300—provided, of course, that the cost of the fare was more than $300. The calculation was also based on a 20 per cent increase in the number of cars each year over three years that would travel backwards and forwards across Bass Strait. I thought that was a pretty good little con job because the government knows there will not be a 20 per cent increase in the number of cars that travel across Bass Strait.

In the first year, 1996-97, you have committed $12 million to that. I can recall Senator Newman saying that the money was in this budget. So we know there is $12 million in this coming budget because Senator Newman has told us that. That is secure. What I want to know from the government is this: if we do not get a 20 per cent increase or thereabouts in the number of cars, so that we do not use up $12 million, will the government give an undertaking to give to Tasmania any unused portion of that money? That is what is not clear.

I believe that at the end of the three-year period, you will probably have parted with only about $25 million. It may be $30 million; indeed, I would like to see it at $49½ million. But the reality is I do not think that will be the case. What you ought to do is be honest and give to Tasmania any unused portion of that money in an untied grant, because our economy definitely needs it. We have got a government down there that has no hope and no direction—and even less hope now that it has to be propped up by the Greens. There are a number of things this government could do.

Of course, we just have to look around the country—and I owe it to the rest of the nation to raise a few other areas that we know they are going to reduce. In the area of customs and quarantine—I think Senator Sherry raised these matters before—I participated in an inquiry about AQIS and its services and capacity. We also looked at the ability of customs to protect our shores, to stop the possibility of the introduction of diseases, et cetera. Yet what do we see the government proposing to do? In that inquiry, all the government senators moaned about the lack of ability on the part of AQIS or customs to actually do the job they are required to do. We are a very large country. In fact, we are the largest island in the world. So why are we cutting these things back? What assessments were done? In all the time we were in government, you were jumping up and down, going on about these things. If you read the report on AQIS, the government members in particular wanted to pursue the issue of these services being increased, not decreased.

One point I noted which was rather interesting related to health. Australian Hearing Services, which provides testing and hearing aids for pensioners and health care cardholders, may be contracted out, which will only lead to higher costs for those people. Where does that stand with your rhetoric prior to the election about caring, about looking after people? What about the cuts to the Therapeutic Goods Agency, which will result in slower and less efficient processing of drugs? What about ANSTO? The production of isotopes for medical treatment will obviously be threatened.

In terms of justice, one point that I thought was rather interesting—I think it is probably something that we on this side of the chamber could understand—related to the cuts to the

Australian Securities Commission, which will mean less surveillance of corporate crime and, ultimately, a lower level of protection for investors. Cuts to the National Crime Authority will mean less surveillance of crime and corruption. Of course, we do not have to look too far back in history to the bottom-of-the-harbour tax schemes. So I can see why you want to do these things.

What about other areas where you are proposing to reduce services? In the environmental area, we hear Senator Hill, every time he gets a dorothy dixer, ranting and raving about having to sell Telstra to deliver the best ever environment policy. We heard him today on salinity. Whose policy was it that led to the subsidisation of land clearing in the first place? It was not ours. We did not provide all the subsidies to people in primary industry; you people did. What do you want to do? You now want to cut back on environmental services areas—the things that will actually ensure proper monitoring and the proper application of guidelines in terms of land use. *(Time expired)*

Senator BOB COLLINS (Northern Territory) (5.50 p.m.)—Madam Deputy President, there has been a lot of press discussion in recent times about the impact that the mooted Public Service cuts will have on the ACT—your own electorate. The Chief Minister of the ACT, I think it was yesterday, had meetings with the Prime Minister (Mr Howard) in respect of these cuts not impacting severely on the ACT. I was greatly amused last night to hear on the ABC national news—and to see it repeated in the print media this morning—that the Prime Minister had assured the Chief Minister of the fact that the ACT would not be singled out for special attention. Last night on the ABC news it was carried in the words that the brunt of the cuts would not fall on the ACT.

The reason that I was somewhat amused by that statement, which I guess the Chief Minister of the ACT had to make to put some kind of face on the outcome of the meeting she had with the Prime Minister yesterday, was that that was hardly news. That statement indicated clearly that the Chief Minister of the ACT got no assurances whatsoever from the Prime Minister about negative impacts on the ACT in respect of these cuts. He simply told her what everyone already knows: that 70 per cent plus of Commonwealth public servants do not work in the ACT, but work across the length and breadth of Australia, particularly, in respect of my own portfolio, primary industry, in rural and regional Australia.

So it must have been a fairly barren meeting for her yesterday with the Prime Minister. I guess it was a fairly desperate attempt by her, being a political colleague of the Prime Minister's, to put the best face on it she could by stating the obvious. The obvious has already started. As I said in the Senate just the other day and in a press statement that I issued yesterday in the Northern Territory, the cuts and the sackings have already begun, making an absolute mockery of the assurances and promises that were given to the electorate prior to polling day that there would not be sackings in the Public Service, that there would be no forced redundancies, that it was all going to happen by natural attrition.

I spoke personally to a number of Northern Territory Commonwealth public servants. This is how I found out about it, simply in the normal course of their business. I had to ring them on a number of issues. I felt a little guilty, after occupying one of them for 10 minutes on my problems, to be told by him at the end, after patiently and courteously hearing me out, that unfortunately he would not be able to follow it up as only four days before he had been told that he was sacked and that the entire function—not only his job—of the section in which he worked was being closed down and shifted elsewhere.

That is why I noted with some interest the complaint made here in the Senate—I think it was in question time—just the other day by Senator Harradine that already this was happening in Tasmania, with entire services being closed down in Tasmania and the functions of those services being shifted to Victoria. Indeed, I regret to say that it is already happening in my own electorate of the Northern Territory. It was always going to happen with these cuts.

Senator Campbell—Tell us about what happened in your time, Bob.

Senator BOB COLLINS—Well, I'll tell you.

Senator Campbell—Tell us about the centralisation under your regime.

Senator BOB COLLINS—If you want to waste—

Senator Campbell—You tell us about it or I'll tell you.

Senator BOB COLLINS—You will get the opportunity after I sit down, Senator, for 30 minutes if you wish. I will tell you. I am glad you have raised it because it makes the case for the opposition, not you. The myth that Senator Campbell and his colleagues have tried to perpetrate was that we had an overblown Public Service. How did Senator Alston in this new sensitive, caring government we now have refer to it today in question time with respect of Telecom? What did he call it? A 'sheltered workshop', I think. A pack of bludgers public servants were, in sheltered workshops—a brilliant observation by the new sensitive, caring Howard government from one of its senior ministers.

Senator Abetz—That's an outrageous misrepresentation, Senator. That related to Telstra.

Senator BOB COLLINS—Have a look in the *Hansard*, Senator. I was right here listening to it. That is precisely what he said—sheltered workshops in the Public Service.

Senator Campbell—You look in the *Hansard*.

Senator BOB COLLINS—Government ministers—

Senator Campbell—He didn't say that. Don't lie to the Senate.

Senator Tierney—Inaccurate as usual.

Senator BOB COLLINS—Goodness me! I am glad I have managed to inject a bit of life into this debate at long last. I was dropping off ten minutes ago.

Senator Campbell—Bald-faced lies to the Senate always get some life, mate.

Senator BOB COLLINS—Madam President, I am fairly tolerant but 'bald-faced lies'—

The DEPUTY PRESIDENT—I think you should withdraw that, Senator Campbell.

Senator Campbell—Madam Deputy President, I said that if you tell bald-faced lies to the Senate you will get a reaction.

Senator BOB COLLINS—I find that offensive and I want it withdrawn.

The DEPUTY PRESIDENT—I think it should be withdrawn. Senator Campbell.

Senator Campbell—I withdraw.

Senator BOB COLLINS—Government ministers, parliamentary secretaries and backbenchers at every possible opportunity want to perpetuate the myth, because they think it is populist politics to do so, that public servants generally are lazy, good-for-nothing, overpaid and underworked and provide very few services at all. It was a most unfortunate contribution that Senator Alston made—

Senator Campbell—That is not what Senator Alston said. Why don't you tell the truth? It is impossible for you to tell the truth.

Senator BOB COLLINS—Perhaps you could just shut up for a minute or two, Senator Campbell.

Senator Campbell—Why can't you tell the truth?

Senator BOB COLLINS—Senator Campbell, can I suggest that you take your turn in this debate.

The DEPUTY PRESIDENT—Senator Collins, address your remarks through the chair.

Senator BOB COLLINS—With respect, Madam Deputy President, the interjections are so loud that it is very difficult to ignore them. Perhaps if he could just make them a little more quietly. The problem is, to go back to Senator Campbell's continuous interjections and his 'What did you do?', in my own department of primary industry over a period of years efficiency cuts were made in the order of 20 per cent. We instituted, and it was proper to do so, an efficiency dividend across the Public Service to ensure that it did not get out of hand. By comparison with other OECD countries we do not have a bloated Public Service in Australia, as is constantly referred to by the opposition. That is why I said that

Senator Campbell's interjections were making the case for us that we are making here.

There is this nonsense being perpetuated at the moment by even up to and including the Prime Minister that somehow or other the public servants who are now being axed can blame us because a certain percentage of these cuts were already in place prior to the election. What a nonsensical and illogical position to take.

Yes there were cuts—and we do not think they should have gone any further. That is precisely the point I am making. It is a silly position that the government and its senators in here are taking on this issue. We did introduce efficiencies and we believe that those efficiencies were squeezing the Public Service to the point where it really should not responsibly have gone any further, particularly because of the impacts on rural and regional Australia.

I say to Senator Campbell that I know from personal conversations I have had with what will now shortly be former Commonwealth public servants in the Northern Territory that the cuts the government is instituting go way beyond what we considered was reasonable. These are people who have lost their jobs—they have simply been told they will be losing their jobs shortly—whom I know we would not have forced retrenchments on. I thank Senator Campbell for assisting me to make my case. Of course we introduced efficiencies into the Public Service. Our complaint is that you are taking that too far, that you are going way beyond the point you need to go to. You are trying to make a virtue out of it. That is precisely the case that is rightly being made.

There is a further problem in my portfolio area. One of the things I did as minister to compensate to some extent for what is a huge structural problem in towns and cities outside the major urban centres in Australia was to provide services to rural Australia, for example, rural counselling. In the time that I was minister for primary industry—

Senator Cooney—And a good minister, too.

Senator BOB COLLINS—Thank you, Senator. I received first hand stories from primary producers and residents of urban townships right across Australia highlighting the value that those communities placed in the free counselling services that the Commonwealth and some—and I stress 'some'—state governments, Queensland notably, were providing to rural and regional Australia.

The problem is, as Senator Sue West knows, that the primary industry minister has already announced—it was during the election campaign—that severe cuts are going to be made in the very program, the rural access program, that employs rural counsellors. Services such as the Freecall services, providing information to rural residents of Australia and which, when I left office, were receiving 50,000 telephone calls a year, are going to be closed down, according to the minister. That was even announced during the election campaign. From memory, a $5½ million cut in the rural adjustment scheme has been announced.

These things should not be skated over in this debate. Not only is the government unnecessarily escalating the rate at which these services in areas outside Sydney and Melbourne are going to be withdrawn, it is also cutting programs that the former government put into place to compensate to some extent. A crisis exists in rural communities with their services being withdrawn—but the government has put that up in lights. It stated that baldly before polling day.

God alone knows at the moment—I do not think that is strictly correct; in a sense I suppose the Treasurer and the finance minister know as well—the extent to which those projections by the then shadow minister for primary industry of the cuts will be escalated. Why do I consider that to be a matter of great regret? I will tell you why. It is because most of those services were put into place because of representations we received from rural women.

We see all these crocodile tears being wept today by members of the government—and it is politically correct to do so and the great critics of politically correctness are pretty good at it themselves—who are saying they will concentrate on women's issues, yet the very programs that women place a higher

value on than any others in the bush are those the minister for primary industry has already stated are going to be subject to cuts.

Why is that an issue? It is because they are the most vulnerable programs. It is very easy to get rid of them. When you get the instruction from Finance or Treasury—and I, like any other former cabinet minister, know how it works—you are simply told in a non-discretionary way that you have to find 10 per cent or two per cent. You sit down with your departmental secretary and look at the core services that are provided by your department. After trying at least to put a wall around them to protect them, all other services, however important, that are further out in that priority are up for cuts.

Where does that tend to be in my portfolio? It is in the rural counselling services, in things like telecentres that provide rural communities with facilities that do not exist in those communities because of the small populations, and in the 008 numbers we provide. They are always the vulnerable services. Do not think, Mr Acting Deputy President—I would not pretend otherwise—that they were not targeted at every single budget when we were in government. They were. But I have to say to our credit that we preserved them against those attacks from Finance and Treasury.

But we have already had an acknowledgment from the current primary industry minister that those services, particularly those valued by rural women, are going to be chopped. We have to wait for the extent of those cuts. I want to put on record in this debate this afternoon my deep regret at cuts in a number of programs—I confess a proprietorial interest in them—that were valued so highly by me, in terms of seeing the work on the ground done by those people.

The BARA services, the business advice to rural areas program, is another to be cut. In my electorate of the Northern Territory I am familiar with a BARA office that has helped start 114 new small businesses since it has been set up in this small rural town in the Northern Territory. It is greatly valued by the community which, of course, contributes to its financial upkeep as a result. But we provided the seed money, as you must do in these circumstances, to get it up. The minister has already announced that the program that supplies funding to the BARA program is going to be cut. The agribusiness program, to my total astonishment—with the emphasis that has to be put on exports in Australia—was also singled out by the minister for budget cuts.

As I said a little earlier in this debate, the poor old Chief Minister of the ACT is trying to put the best face she can on what she got yesterday from the Prime Minister—which was obviously nothing. She simply stated the obvious. I agree with her. The ACT is not going to be singled out for these cuts; she is right about that. That assurance is no assurance at all. It is rural and regional Australia that is going to cop the bulk of these cuts, not the ACT. Those cuts have already begun. It simply means, in the case of the particular concerns I raised about the Northern Territory, that territorians who had the opportunity to have direct access to the offices concerned will now have to direct their inquiries to another state several thousand kilometres away from where they live.

I spoke to Senator Harradine about this at that time. I was interested because it struck a chord with me to hear Senator Harradine making the same complaint about services that had already been shifted from Tasmania. I will make the point again: these are the vulnerable services; these are the ones that are very easy to chop off at the outside.

In conclusion, there is clearly a significant element of scare campaign going on with all of these projected cuts. All political parties do it. You drum it up and you drive the argument through the roof and frighten the daylights out of everybody as to the extent of the cuts, and then, finally, the budget comes down and the cuts are only half as bad as the rumour mills have them. Everyone is then supposed to breathe a sigh of relief and say, 'Oh, thank goodness; it could've been a lot worse than that.' Then, with the smoke and mirrors removed, hopefully everyone will ignore the fact that what has been done will have a catastrophic impact.

There is no doubt that the ACT Chief Minister and the Prime Minister are right. The

brunt of these cuts will not fall on Canberra and the ACT. They are and will continue to fall on regional and rural Australia, and it is a matter that I view with the most profound regret.

Senator ABETZ (Tasmania) (6.10 p.m.)—I wish to make a brief contribution to this debate because it has become patently obvious that the Labor Party want to filibuster. They have had speaker after speaker basically repeating the same message because they do not want us to get on with government business. Given that that is their tactic, I will deny them the opportunity of having another speaker. Might I also say that it is important that some of the messages being put out by the Labor Party today are not left to go unchallenged.

This is a very shallow job—a put-up job—by Senator West. If she was genuinely concerned about this issue, why is she not in the chamber to hear the debate on the motion that she herself moved? Indeed, the Labor whip, I remember once, chided me in this place, after I had moved a motion, because I was called out for a phone call regarding an urgent family matter.

Senator O'Chee—Yes, I remember that.

Senator ABETZ—I only left the chamber for five minutes. Senator Chris Evans considered it a matter of great moment and the very next day raised in the Senate my gross discourtesy to the Senate. If he wants to do his job as opposition whip he should have had Senator West listening to this boring debate. But, undoubtedly, Senator Evans is of the view that she should not be submitted to the boring rhetoric of Senator Bob Collins, Senator Murphy, Senator Reynolds and others who have spoken.

So, in fairness, I can understand why the Labor Party has not insisted on having Senator West here to listen to the debate. The point is pretty clear. If Senator Sue West, who moved this motion, was genuine about it, she would be sitting in here listening to every word that has been spoken. I am sure she would not want to listen to your words, Senator Collins. She would not learn much from them but she should be in the chamber, according to the precedent that your whip reminded me of some time last year.

That is the first point to be made. This is just a shallow attempt to waste time. Secondly, the former minister for primary industries gets up here and tries to congratulate himself on the marvellous job that he did as minister.

Senator Bob Collins—No I didn't. That was Senator Cooney.

Senator ABETZ—You were congratulating yourself on all these programs.

The ACTING DEPUTY PRESIDENT (Senator Colston)—Order! The time allotted for the consideration of general business having expired, the Senate will proceed to the consideration of committee reports and government responses.

COMMITTEES

Privileges Committee

Report

Debate resumed from 1 May, on motion by **Senator Teague**:

That the Senate adopt the recommendation contained in the 59th report of the Committee of Privileges tabled in the Senate on 1 December 1995.

Question resolved in the affirmative.

The response read as follows—

Response by Mrs Esther Crichton-Browne Agreed to by Mrs Crichton-Browne and the Committee of Privileges pursuant to Resolution 5 of the Senate of 28 February 1988

Pursuant to Resolution 5 of the Senate of the 28 February 1988 I wish to raise the matter of Senator Knowles' speech to the Senate on 15 November 1995.

Senator Knowles' speech has caused hurt and suffering to myself and my children.

Senator Knowles states in her speech "While I do admit to knowing of the most serious event, because he told me the day after what he had done, and he subsequently told others, I have not sought to use that against him in the six years that have elapsed, in spite of his greatest provocation."

Senator Knowles has conveyed her version of events to a wide range of people and in the process has caused much pain and anguish to our family. My privacy and that of my children was ignored and disregarded.

Senator Knowles stated "It disturbed me, as a consequence, that the Senator's estranged wife—whom, I might add, I assisted to stay in hiding for over 12 months—telephoned me just after midnight soon after the disclosure of the restraining order this year and accused me of betraying her trust. I also totally reject that . . . "

I am most certainly not estranged from my husband and I am offended by that assertion by Senator Knowles. Senator Knowles did not assist me to stay in hiding as she puts it. The circumstances of my telephone call to Senator Knowles are as follows:

On 27 March 1995 our family travelled to Geraldton for the funeral of my father who had died of cancer, which was to be held the following day. To add to our distress my husband had that morning received a disgusting "dirt sheet" by facsimile which alleged to set out some circumstances surrounding the restraining order.

I had been aware for some time that Senator Knowles was quite openly discussing the matter so the evening of my father's funeral, upon returning home I was extremely upset and I rang Senator Knowles, told her I had just returned from my father's funeral and said I wanted to talk to her. Senator Knowles attacked me and as I was in no state to respond I said goodnight and put the telephone down.

I believe that Senator Knowles obtained a copy of the restraining order and had it reproduced in her office. I have in my possession a statutory declaration obtained by me which supports my belief. I ask Senator Knowles why was it necessary to give it to anyone. Why did she reproduce it and distribute it, particularly given that she claims to have been "totally supportive and retain the expected respect for my position associated with such a totally distressing time" as she cares to describe it.

One matter of particular concern to me is Senator Knowles' public claim as to my professional relationship with Mr Viner. Her assertion is wrong. For any responsible Senator to claim knowledge of client lawyer relationship is, I submit, very wrong. That can only be within the knowledge of the client and the lawyer.

I conclude on this note. This matter has caused enormous distress, trauma and anguish to myself and my three children. I have always been an intensely private person notwithstanding my husband's public office. The ensuing publicity has totally engulfed my children and myself. The public humiliation and attention to our family has been compounded by harassment and intimidation to my children and me by the media. There have been occasions when we have feared and have been unable to enter or leave the family home because of the media.

Esther Crichton-Browne

Migration Committee

Report: Government Response

Debate resumed from 30 April.

Senator COONEY (Victoria) (6.15 p.m.)—I move:

That the Senate take note of the document.

I was a member of the Joint Committee on Migration which presented a report on the migration agents registration scheme. I will not delay the Senate for long. The report of the committee raises the question of how far governments can go, in effect, in licensing people who work as migration agents. It was prepared because of concern about the way some migration agents are working.

Included in its cover is consideration of solicitors. The term 'migration agent' can encompass solicitors. I am concerned that solicitors should be licensed by the state. That will happen in Victoria shortly. In my view, it is a problem. In so far as we have done it at a Commonwealth level, it causes concern.

The legal profession, at its best, is there to represent people in their stand against the state, to stop the exercise of arbitrary power by the state, to speak for the individual's rights against the power of the state. It is also, of course, there to help one citizen in an action against another.

But, in so far as the state purports and, in fact, does license solicitors, it tends to take away that appearance of independence that they should have. Journalists argue, with some merit, that newspapers should never be licensed by the state because that would take away from them the ability to express freely and without fear their comments on what has happened, not only in parliament but generally, and their ability to fairly and fearlessly report matters, and that would be bad for the general health of our state.

Likewise, it is bad for the general health of our state if we have a system whereby government can license the legal profession, because the legal profession is there to represent the individual against the onslaughts of a more powerful opponent. Just as it is argued that the press should have freedom from direction by government, so in my view the legal profession should be in that position.

There is a tendency these days more and more for governments to say that they should go about the licensing of the legal profession—always for the best of reasons, of course. But the public good that comes from attempting to license the legal profession is far outweighed by the need of the public good to have an independent legal profession that stands up against the state and against any exercise of arbitrary power against the citizen—whether the exercise of that power be by the state itself or by some big corporation or organisation.

Question resolved in the affirmative.

Rural and Regional Affairs and Transport Legislation Committee

Report: Government Response

Consideration resumed from 30 April.

Senator BURNS (Queensland) (6.19 p.m.)—I move:

That the Senate take note of the document.

On 9 November 1994, the Senate referred the following matter to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report: the administration and management of all aspects of the operations of the Australian Quarantine and Inspection Service—AQIS.

During the course of the inquiry, the committee took over 2,400 pages of *Hansard* evidence from 77 submissions and 142 witnesses. The committee held 22 public hearings, travelling to Tweed Heads, Cairns and Thursday Island and every capital city, except Darwin.

The committee inspected rock lobster and prawning facilities at Fremantle, Western Australia; salmon breeding and processing sites, ballast water research facilities at the CSIRO and infestation of the Pacific seastar in the Derwent River, Hobart, Tasmania; and lychee and mango farms and packing operations near Cairns, Queensland. The committee also inspected northern Australia quarantine strategy operations on Thursday Island and other islands in the Torres Strait. The committee is grateful to those persons who gave their valuable time to conduct these inspections.

The responsibilities and activities of the Australian Quarantine and Inspection Service cover a huge range of issues. These include responsibility for defending Australia against incursions of exotic pests and diseases, formulation of quarantine policy for imports as varied as cooked and uncooked foodstuffs, live animals and genetic material, and certification of every kind of primary agricultural product to the satisfaction of Australia's export markets. AQIS also has responsibility to represent Australia on international plant and animal health committees, and to engage in bilateral and multilateral negotiations over access to export markets for Australian agricultural products and in order to justify Australia's own quarantine restrictions which, I might say, have some times been suggested as non-tariff barriers, even though they are not.

In order to discharge its quarantine functions, AQIS screens passengers, cargo and mail at international points of entry to Australia, operates the northern Australia quarantine strategy specifically to deal with the quarantine threats posed by the proximity of mainland Northern Australia to Indonesia, Papua New Guinea and the Torres Strait Islands, and is involved in research into the management of exotic pests introduced by the ballast water released into Australian ports by international shipping.

Certification that agricultural exports are free from pests, weeds and disease is required by most importing countries, and AQIS is responsible for providing this service to Australian exporters. The biggest part of AQIS's inspection program is in the export meat sector. In other words, to maintain the validity of the green Australia image.

Over the years, the quarantine and inspection service has been the subject of numerous reviews and reorganisations. The most recent of these occurred as a result of the budget 1993-94 when the government announced a major restructuring reform package for AQIS. This package included reorganisation of AQIS's internal structure, measures designed to improve AQIS's client focus and its role as a facilitator of export business, and a requirement that AQIS recover 100 per cent of its

user attributable costs calculated on a full accrual accounting basis. That, of course, demonstrates the very efficient way in which the previous Labor government went about its work.

These reforms were designed in part to address complaints, particularly from industry users of AQIS services, that AQIS was inefficient, had industrial relations arrangements which were detrimental to industry interests and did not do enough to facilitate Australia's agricultural export industries. That raised the question of whether it should be a facilitator or a regulator.

The committee received evidence from several industry groups, and particularly from the meat industry, expressing significant concerns about these matters. However, concern was also expressed by several witnesses that AQIS's current structural arrangements were an impediment to significant improvements in the organisation's efficiency and effectiveness, and that improvements in specific areas were dependent upon major organisational reform. Again, that raised the question of whether people saw it as a facilitator or regulator. I think at first it was a regulator but that did not prevent it being a facilitator at the same time.

Accordingly, the committee saw two main aspects to its task in this inquiry. Firstly, the committee sought to determine whether medium to long term challenges in quarantine and inspection can be met by AQIS under its current structural and administrative arrangements. Secondly, the committee examined particular concerns raised in evidence with a view to making recommendations which would assist AQIS to discharge its functions more effectively.

In relation to the first issue, the committee formed the view that AQIS is an organisation in transition and that the reform process, while still incomplete, has already led to significant improvements. In the committee's view, any major restructuring of AQIS may jeopardise this process without any assurance of a concrete benefit being gained. In particular, the committee rejected the view that AQIS should be removed from the Department of Primary Industries and Energy.

As part of the department, AQIS has access to broader policy information and expertise on its 11 commodity groups, as well as international developments in trade and quarantine. The committee considers that this coordination and integration is critical and must be maintained. However, the committee considers that several aspects of the administration and management of the operations of AQIS need to be reviewed, reformed or improved and, accordingly, the committee made 14 recommendations.

With respect to industrial relations arrangements, particularly in the meat industry, the committee notes that AQIS has negotiated some reforms with its work force which will allow for greater flexibility and alignment of inspectors' and industry practices. The committee considers, however, that AQIS cannot achieve this transformation alone, and that significant gains in industrial relations reform can only be achieved through a process of cooperation between AQIS, industry organisations, individual unions, relevant unions and workers.

Accordingly, the committee has recommended as a matter of priority that the Minister for Primary Industries and Energy establish a task force comprising relevant government officers, industry groups, representatives of the meat industry, union officials and other relevant parties to identify and address critical issues in industrial relations between industry and AQIS with a view to achieving a cooperative working relationship based on a high degree of accountability as well as efficiency, flexibility, trust and goodwill. To me that means maximising cooperation in terms of communication.

Another major issue which faced the committee during its inquiry was the debate over several draft import risk assessments relating to proposals to import products hitherto excluded from Australia on quarantine grounds. These were the draft import risk analyses on uncooked Pacific salmon, untreated grain from North America and cooked chicken meat from Thailand, the USA and Denmark.

The evidence received on this issue can be classified into two categories. Some witnesses

accepted that the risk assessment was an appropriate approach to quarantine management, but rejected the scientific adequacy of a particular assessment. Other witnesses maintained that the risk assessment methodology itself should be rejected and that Australia should maintain a no-risk as opposed to a risk management approach to quarantine policy.

The committee has endorsed the risk analysis and risk management approach applied by AQIS as the only realistic approach to allocating resources to quarantine risk. The committee acknowledges that these concepts are widely misunderstood and has recommended that AQIS develop strategies to explain its risk analysis and management approach to quarantine and inspection. While endorsing this approach, the committee notes that the process can only maintain its integrity and independence if AQIS has access to relevant scientific and technical expertise, and consults fully with relevant industries in order to use the industries' practical experience, and bases quarantine decisions on scientific grounds rather than on trade related considerations. That is a very important issue.

The committee considers that quality assurance is an important management tool which, when properly implemented, contributes significantly to improved food quality and safety. However, in the context of quarantine, the committee considers that it is counterproductive to regard quality assurance programs primarily as cost cutting devices. The adoption of quality assurance programs may result in long term savings on quarantine inspection costs, but the motivation for adoption must be a commitment to improve and maintain standards and quality.

If the current quality assurance programs are to be extended, the committee considers that a strong cooperative working relationship must exist between AQIS and industries. Given the costs and daunting task of establishing quality assurance programs, AQIS, in its promotional material and training programs, must provide maximum support and encouragement. (*Extension of time granted*)

The committee received a significant amount of evidence expressing concern that AQIS's staffing and resource levels were inadequate, particularly in the area of quarantine and international liaison. The committee considers that lack of resources in these areas would constitute a significant diseconomy in the long term and recommends that the government undertake a review of staffing and resource levels so that the integrity of Australia's quarantine and inspection services can be maintained. The government has now changed but the attitude of the committee remains constant.

The committee has recommended other administrative management reforms, including that AQIS better disseminate information to industry about cost recovery methodology and charge rates; that AQIS ensure that detection of any incursion of an exotic pest or disease by the Northern Australian quarantine strategy automatically triggers coordinated and clear strategies and responses; that AQIS develop and maintain more effective channels of communication to on-site inspectors, ensuring that they are routinely informed of the outcomes of the investigation of matters raised by them and whatever remedial action has been taken; and that, as a matter of priority, AQIS carry out its commitment to the committee to extend workshops and client focus to all staff.

The committee considers that Mr Paul Hickey, the Executive Director of AQIS, and other senior officers are highly competent and committed to the organisation and commends AQIS for the improvements already made in the organisation since 1993-94. The implementation of the committee's recommendations should assist in improving AQIS's client focus and its relationship with industry and increase the organisation's ability to meet future challenges in quarantine and inspection in Australia. I commend the report to the Senate.

Senator CALVERT (Tasmania) (6.31 p.m.)—As a member of the Senate Rural and Regional Affairs and Transport Legislation Committee, it is certainly a pleasure to support the remarks Senator Burns just made. This is possibly the last report Senator Burns will present in his role as chairman and probably as a senator. I would like to say as

a member of the committee and having worked with him for such a long time that he has been an exceptionally fine chairman who has shown a great interest in rural and regional matters. The only great disagreements we had were about a particular tune we were playing on a piano in Kakadu and over the shearing report. Apart from that, I think Senator Burns has been doing his very best, as have the rest of us on the committee, for the rural people of Australia.

I wish to speak about only one aspect of the report: the risk assessment process. When we talk about risk, whether it be initial risk or no risk it conjures up the real problem we have with quarantine in Australia, particularly in Tasmania. We are an island state. We rely on aquiculture and agriculture for a major part of our income. Anything that can ruin those industries has to be looked at very carefully.

I note that in the last week or so the Minister for Primary Industries and Energy (Mr Anderson) took emergency action to prevent the importation of farm machinery from North America because of the karnal bunt disease scare. Karnal bunt is a virus in wheat that could wipe out an industry. Using the minister's words, 'If this disease reached Australia, it could easily ruin the Australian wheat industry'. That shows us just how susceptible we are to disease and how important it is that our quarantine service be kept at its absolute maximum efficiency.

The examination of AQIS by the Senate Rural and Regional Affairs and Transport Legislation Committee was conducted at a time when the activities of the Australian Quarantine and Inspection Service were the subject of ongoing public scrutiny. There have been many critics of the service over quite some time. I suppose AQIS will continue to be scrutinised by the parliament and other committees. It is important that they are because it is so important to rural Australia that the quarantine service is kept operating in its most efficient manner.

I return to what I mentioned earlier: the risk analysis process. The risk analysis principles adopted by AQIS as they apply to the importation of uncooked Pacific salmon, grain and cooked chicken meat highlighted during the inquiry the difficult path which AQIS must tread. My colleague Senator Murphy is also very interested in the importation of uncooked salmon. He likes to drop a line in the water occasionally in Tasmania. Being a good senator from that state, he would be most concerned about anything that could jeopardise its native fish. He would know, as I do, that the Tasmanian salmon industry has become a very significant employer and export earner for our state of Tasmania.

Our investigation into AQIS highlighted that judgments about the level of risk can be the subject of genuine dispute, but it also highlighted the need for the risk assessment process to retain its integrity and independence so that the growers and the people involved in the industry can have confidence in that particular process. To that end, the committee was of the very strong view that AQIS must have access to the best scientific and technical expertise available; that it must consult fully with relevant industries and use the experience of those industries; and that, finally, any quarantine decisions or decisions made to change the current importation restrictions must be based on scientific grounds and not on trade related considerations.

Put quite simply, if we are going to base our quarantine service on trade related considerations—that is, if we are wanting to do favours for other countries for trade-offs, such as, for instance, Canada bringing Canadian salmon here for the trade-off of Australia exporting more beef to Canada—we will certainly expose our unique agriculture and aquiculture industries to unacceptable risk. That is just not on.

The committee formed the view that AQIS must develop strategies to better explain and disseminate the information on its risk analysis and management process for quarantine so that there can be a better understanding amongst those special interest groups which it affects. I remember very well the day that Senator Sherry first announced the risk analysis draft report in Hobart on the salmon industry. Everybody was jumping up and down, and a lot of that was caused by ignorance.

Whilst it was reassuring to hear from AQIS, when it gave evidence to us, that it possesses the necessary expertise to undertake comprehensive risk assessments, it was the view of our committee that there was a need to complete a review of AQIS resources and, if necessary—and some people on our side might not agree with this at the moment—increase staffing and resources for AQIS because we just cannot afford the risk. The money comes second to the affordable risk that we do not want to take.

I know that the salmon industry in Tasmania shares the view of the committee that any assessment of risk should not be undertaken until a detailed research program has been completed. It was certainly evident to our committee that this assessment should be relevant to Australian conditions.

One of the most glaring problems to emerge in our investigations of AQIS is the present standard practice of consulting industry after the development of initial risk assessment. As happened in Tasmania, they brought down this initial risk assessment report. They had not consulted industry and, of course, it is easy to see the concern that was raised amongst interest groups such as the salmon industry, because of ignorance. Any initial draft could be the subject of inaccuracies, as in this case I believe it was. When there has not been consultation with the industry as there should be, it is highly likely that those inaccuracies will get out of all proportion.

It was also evident—using the Tasmanian salmon industry as an example—that where a draft IRA document is released, and there has not been detailed involvement from the industry prior to its release, the inevitable result, as has been the case, is a long period of expensive and bitter dispute, where not only AQIS is placed in the position of criticism but the whole industry feels as if it has been unreasonably threatened. Then the whole process seems to get off the rails. That is what has happened in the case of the salmon industry in Tasmania.

Our committee has found it extremely difficult to understand why extensive discussions with the salmon industry did not occur before the draft IRA was released. I am afraid that I have to say that that process is still happening. Only last week—thanks to the intervention of the parliamentary secretary—we got the process back on the rails, but, had it not been for Senator Brownhill's timely interjection on that situation, I think AQIS may have made some rather hasty decisions that would not have been in the best interests of Tasmania or the Tasmanian salmon industry.

I strongly support the recommendations contained in this report. Once again, I would like to congratulate those people involved in its preparation, and I look forward to hearing from other members of the committee.

Senator WOODLEY (Queensland) (6.43 p.m.)—I too want to speak on this report of the Rural and Regional Affairs and Transport Legislation Committee. There are a lot of things that have been said that I agree with, but I do want to draw the Senate's attention to the fact that the Australian Democrats do have a dissenting report. It is not very long, but it does go to the heart of the things that Senator Calvert was saying. It really is in relation to the whole debate about whether or not we have a policy of risk assessment and risk management as preferable alternatives to a no-risk option for quarantine policy.

The Democrats want to raise a philosophical point at this stage. While risk management may seem to be a more technically realistic approach than a no-risk option, we point out that risk management may be simply an excuse for a minimalist approach to quarantine monitoring services. I do not say that lightly. I would say to you that the risk management approach, which we have all been experiencing, has proved to be a failure. It has been a failure in Tasmania and it has been a failure in North Queensland, particularly with the incursion of the papaya fruit fly.

The reason it has failed is that risk management and risk analysis are a very inexact way of achieving the protection of our industries which ought to be paramount, because it is always debatable where you draw the line in terms of a barrier. We found that the barrier in North Queensland was full of holes in terms of the papaya fruit fly.

While, for financial reasons, risk management and risk analysis may seem to be the way to go, I believe that Australian consumers and Australian agricultural industries expect that no risk ought to be the goal of our quarantine services. While, for financial reasons, that may be a very difficult goal to attain, it certainly ought to be the goal. When we introduce any other kind of goal, the practice always falls far short of the way in which we describe the goal if we describe it as anything less than a no-risk policy. While we may not always attain a no-risk policy, that certainly ought to be the goal. That is what Australians expect of their quarantine service. Let me read just a few comments from the report. This one is from the Mareeba Shire Council:

> There is no question that this [the papaya fruit fly incursion] highlights some serious flaws in our quarantine services, because that is obviously how the menace was allowed into the country in the first place . . . [W]e just cannot accept that a government should allow this to happen, or the possibility of this being repeated . . .

There is no way you could convince people in North Queensland that you can have risk analysis or risk management. They demand a no-risk policy in terms of the papaya fruit fly. There is no way you can manage that threat once it is in the country. It ought to have been stopped altogether. There ought to have been no risk of it entering this country.

I would like to refer to a couple of letters that I have received. Dr Wilkie, a veterinarian in Benalla, Victoria, writes about the progressive loss of veterinary pathology services throughout Australia. She states:

> In particular, I refer to closure or virtual closure of most of the state regional veterinary laboratories in South Australia, Victoria and New South Wales.

This picks up one of the problems: that is, some of our monitoring is done by the Commonwealth through AQIS and some of it is done through state instrumentalities. We have between the state and the Commonwealth some very large holes in the protective barrier which ought to be there—a barrier against importing into this country the many pests that have ravaged both the environment and primary industry.

I draw the attention of the Senate to the Democrats' profound unease of the idea of risk management as an alternative to a no-risk policy. Dr Wilkie further states in her letter:

> . . . the regional veterinary laboratories were a valuable service to the farming community, enabling them to increase production and decrease losses due to death and disease, by providing rapid and accurate diagnoses. This service has now been lost and cannot currently be provided by private enterprise which is largely restricted by economic necessity to major population centres which are by definition not livestock production areas.

Another letter from Mr Murray of Moe, Victoria supports what I am saying. Mr Murray states:

> . . . it will be of interest to you to learn that I raised the issue—

that is, the loss of veterinary pathology services in Victoria—

> through Stock and Land March 24th 1994, pointing out the danger of losing staff from the department, because when privatised the emphasis would be placed on profit making rather than service to the nation.

In Brisbane today at a meeting of a number of farming groups, Lex Buchanan, the President of the Queensland Farmers Federation, said:

> Australia's quarantine service could not adequately protect our shores from foreign diseases and pests.
>
> . . . . . .
>
> The introduction over the past 18 months of the Papaya Fruit Fly, the Silver Leaf White Fly and the Western Flower Thrip—three major horticulture pests—showed AQIS had lost its focus on import protection.

I need to underline that this is an urgent requirement of the Democrats—and I believe also of the Senate—that we get back to a quarantine service which will properly protect industry in this country.

At that meeting in Brisbane today, the Cattlemen's Union and the Queensland Farmers Federation called for the Australian Quarantine and Inspection Service to split its import and export responsibilities into two bodies. The separation would allow more emphasis on stopping introduced pests. There is an awful amount of concern in the community. I am sure that it requires, as Senator Calvert has said, more resources to be put

into this area. It is not a cost: it is an investment in our primary industry. The cost will be if we fail again, as we have failed in recent months, to protect this industry. That cost will be far greater than any investment we can make at this point.

I want to conclude by referring to page 139 of the report, which details what happened to organic farmers in North Queensland. While it was possible to use chemicals to perhaps destroy the papaya fruit fly, organic farmers cannot use that method of protection. Page 139 of the report states:

> The requirement to treat produce with chemicals has had significant repercussions for the export and domestic markets of organic growers in Far North Queensland. Ms Bonny Bauer, a member of Biological Farmers of Australia, told the Committee that "as organic farmers we cannot adhere to any of the chemical protocols that have been put forward". She explained that, as a certified organic farmer, adhering to rigid standards and guidelines, she "would end up in a court of law if she adopted any of the chemical protocols". Ms Bauer observed:
>
> > We have a moral obligation to plough our paddocks back in, rather than to coat our produce with these chemicals to get to market.

(Time expired)

Senator BROWNHILL (New South Wales—Parliamentary Secretary to the Minister for Trade and Parliamentary Secretary to the Minister for Primary Industries and Energy) (6.53 p.m.)—I would like to thank the secretariat of the Senate Rural and Regional Affairs and Transport Legislation Committee. As I am no longer on the committee, I thank Mr Bessell, Ms Bachelard, Mr Hallahan, Mr O'Keefe, Ms Hawkins and Mrs Migus. I believe they should all be thanked for the job that they have done in this inquiry. I think it has been an inquiry which all members of the committee enjoyed. I join with Senator Calvert in saying that Senator Burns did a very good job of chairing the inquiry. I think the results of the inquiry have been taken on board by the new minister.

Professor Nairn's inquiry into the Australian Quarantine and Inspection Service has just started. Hopefully it will report by the end of the year. With the efforts of this inquiry, which we have just completed, and the Nairn committee inquiry, AQIS will be a much better organisation to face the challenges that I think quarantine inspection will have over the next decade. It will obviously be a very important area as far as access to other markets is concerned. It is also very important for us to keep our own product in a pristine manner, which we have done and been able to do most of the time in the past.

It is not an easy job for anyone, with all the different things that have happened recently—for example, ergot in sorghum coming into the Darling Downs which nobody knew of before but has now eventuated. Maybe it has come in on the clothing of somebody, and that is a concern. We have now found that it is endemic in Australia anyway. The quarantine restrictions on that area of Queensland that was quarantined for some time have now been released.

I know lots of other people want to speak on many other issues, so I will not carry on for too long. I do not think the chairman of the committee, Senator Burns, mentioned the visit to New Zealand and Australia's disadvantage compared with the meat industry in New Zealand. The trip we had to New Zealand, which we did at our own expense, is dealt with in appendix 5, which is at the back of the report.

It was of great value for all of us on the committee who went there—Senator Crane, Senator Burns, me and Peter Hallahan from the secretariat—to see how the meat processing industry operates in New Zealand and the costs associated with the industry there. New Zealand beats us hands down in the cost of product to the markets. That is something we really have to look at in Australia in the future—not only in the inspection service but also in the cost of production of our product in Australia. I commend this report to the Senate. I know the government will be taking notice of it in the next few months and years.

Senator MURPHY (Tasmania) (6.55 p.m.)—I would like to say a few words about this report. I also join Senator Brownhill and Senator Burns in thanking the staff. They did a magnificent job. They put in a lot of effort and we have got out of it a very good report. Also, the committee was very well chaired by my colleague Senator Burns.

I particularly want to address this matter of risk analysis. In doing so, I agree with Senator Woodley that we should have a goal of no risk. Whilst that is not an achievable objective, we should always start from that premise. If we do that, then we will at least ensure that the best possible outcome is arrived at in terms of protecting all of our industries throughout this country that are subject to the possible introduction of diseases, weeds and anything else.

I have to express some concern about the action of AQIS, particularly the risk analysis it prepared in relation to the importation of uncooked salmon meat. Quite frankly, I am not so sure that it did not start out from a different point of view. I think its risk analysis was flawed. In fact I think it failed in a number of areas to actually get proper scientific advice, scientific information.

It went ahead in the preparation of a risk analysis without any discussions with the industry whatsoever. The industry has a significant degree of knowledge about the potential diseases that may affect it, given that many of the diseases raised in the risk analysis are diseases which have been transferred around the world because of the lack of quarantine procedures. I am also concerned about the process AQIS has continued with in this respect up until very recently, even after its appearance before this inquiry.

I understand the minister took a particular course of action with regards to this matter just a couple of days ago. I urge government members to ensure that AQIS acts in accordance with the requirements of this report, particularly paragraph 8.10, which refers to the assessment of scientific evidence and to the fact that it should be relevant to Australian conditions.

Very little of the scientific information used in the risk analysis for the importation of uncooked salmon meat was all that relevant to Australian conditions. I can recall asking one of the AQIS officers, 'Why haven't we done any testing of some of these waterborne diseases in respect of Australian conditions?' His reply was, 'That could take 10 years.' So what? We must have scientific information that is relevant to the conditions in this country—not relevant to countries in the northern hemisphere, which is where most of the salmon industry exists.

I commend the report. But I express serious concern about the actions of AQIS with regard to the preparation of the risk analysis it did on the importation of uncooked salmon meat. I think its actions in recent times deserve condemnation. As I understand it, it was prepared to send a draft risk analysis to Canada, again without consulting with the industry. As I understand it, it has required the intervention of the minister.

I hope that in future this new government, including those members on the other side who have participated in this committee, will ensure that the recommendations of this committee and its report will be implemented. It is of paramount importance to this country—particularly to my home state of Tasmania, which has a very valuable salmon industry—that we protect it, and protect it properly. In closing, I just say that I do endorse the report. I again thank the committee and the secretariat, because I also will no longer be a participating member of the committee. I am sure that I will continue to follow the committee and endeavour to become a participating member. I am very pleased to say that this report covers a very important area which deserves support—support which the government ought to give it.

Senator MARGETTS (Western Australia) (7.01 p.m.)—I did not plan to stand to speak to this report—that is, the Rural and Regional Affairs and Transport Legislation Committee report on the Australian Quarantine and Inspection Service. But I do feel the need to speak briefly on the aspect that has been represented by more than one senator here: the issue of risk assessment.

What I have not heard expressed here is that what AQIS has been set is, in fact, an impossible task. The reason it was set the impossible task relates to what Australia has signed up to under the Uruguay Round of GATT—and that is, that the onus of proof has shifted to countries like Australia. That is why the proof and risk assessment become so difficult. What we have signed up to under the Uruguay Round of GATT is that countries

like Australia have to prove without doubt that the importation of such live fish, fish food, and so on, will have a devastating impact on their industry.

That is almost impossible to prove. Talk to scientists in lots of areas, and they will tell you that it is almost impossible to prove until it has happened. That is why we are finding instances—unfortunately, a growing number of instances—where either viruses or plant diseases, and in this case fish diseases, are being brought in because Australia has to prove that it will destroy the industry. The only way, generally, that you can prove without doubt that it will destroy the industry, unfortunately, in terms of aquatic pests, is when it is too late.

We have been saying this all along. We all sat in here during the Uruguay Round of GATT, and people almost spat at me in corridors because we wanted to talk about the whole process of reversing the onus of proof. That is why it is so difficult for any of the bodies for whom we have set the task to prove that Australian industry is at risk—because the task we have set them is almost impossible. We have signed up to this.

It was even more gleefully signed up to by other countries, because many of these diseases are diseases that have been rife or destroyed other industries in other parts of the world. Australia, because of its peculiar geographical situation, has resisted these diseases. In the past our rules allowed us to take a protective approach in relation to imports; that is, if there was a reasonable concern about such diseases spreading, Australian laws were allowed to prevent the importation of those goods which may have spread that disease.

That becomes so much more difficult as we have to change our laws; we have to turn ourselves inside out to try to prove something which may become in the end impossible to prove until it is too late. It might be fish diseases, it might be plant diseases, it might be newcastle disease. If we set a fairly small resourced group like AQIS this task of having to prove without doubt that it will destroy the industry for every single potential case of which you can think, then even if it is possible one by one to prove this we have set them an impossible task.

All I am saying is that we did tell you so. But it is time to start thinking about not just what we do, how we flog AQIS in response to whether or not they have done their job right, but how we have made the decisions in the first place which have created what I believe is an unacceptable situation in creating an ongoing—not just for this one thing, but an ongoing—acceptable risk for Australian agriculture and the Australian natural environment. Many of these diseases have the ability to transmutate into natural species. It would be bad enough to destroy our chicken industry, but it would be even worse if we then destroy the natural wildlife—and this is what we have left ourselves open to.

Question resolved in the affirmative.

Legal and Constitutional References Committee

Report

Senator ABETZ (Tasmania) (7.06 p.m.)—I move:

That the Senate take note of the report.

I wish to make a few brief remarks in relation to this report from the Legal and Constitutional References Committee on an inquiry into the Commonwealth's actions in relation to Ryker (Faulkner) v. the Commonwealth and Flint. In prefacing my remarks, I wish to pay tribute to the former chair of that committee, my colleague from Western Australia Senator Chris Ellison. I am pleased that he will be chairing the legislation committee. I also thank the secretariat for the work that they did in assisting members in coming to, once again, a unanimous report.

It is interesting to note that, when this reference was before the Senate it was argued on party lines and opposed by the then government. However, it was good to see that, when we settled down into the committee system, we were able unanimously to come to a conclusion. Without going through all the history, this was basically a claim by two citizens who believed that the Commonwealth had intervened in improper ways to defeat a legal action they had going.

I believe that they were, in a way, justified in thinking that that was the case because of the way certain Commonwealth government departments had behaved. There was not the degree of transparency that I believe there ought to have been. In addressing this report, we should also congratulate Fia Cumming and Allan Howden for the work they did—and, in fact, are still doing—in trying to get documents from the Department of Defence and others. At the end of the day, it appears that, if anything, it boiled down to the fact that their complaints were really against their legal advisers as opposed to the Commonwealth departments.

However, one matter of concern did arise. That was that, where somebody is legally aided to fight the Commonwealth under the Bankruptcy Act, if those people are bankrupt, then a minister needs to make a determination ultimately as to whether funds ought to be made available for the case to proceed. Where the Commonwealth is the defendant, there is very real potential for a perceived conflict of interest.

That became an issue during the hearing. As a result, the committee recommended that, in cases involving a claim against the Commonwealth, the Attorney-General should review arrangements relating to the provision of advice on funding under section 305 of the Bankruptcy Act in order to ensure that any perception of a conflict of interest on the part of the Commonwealth does not arise.

I believe that that is a very important matter of principle that needs to be considered by the new government. I trust that in its response the new government will look favourably upon that recommendation. We have a very fine justice system in this country. Admittedly, it has a lot of flaws but, at the end of the day, it is a pretty good system. Whenever we find flaws in that system, I believe that we are duty bound to try to overcome those flaws. Once again, this committee did that on a unanimous—in fact, a tripartisan—basis, to ensure that our legal system and our justice system is as refined as we can possibly make it.

However, on the totality of the evidence that was before the committee, we did have to recommend that it was not, in our view, justified to have a separate inquiry into the Commonwealth's actions. I note that a number of people wish to speak on this report, so I will now conclude my remarks.

Senator McKIERNAN (Western Australia) (7.10 p.m.)—There is not a great deal of time available to discuss the report of the Legal and Constitutional References Committee, but I too would like to put on the record my compliments to the members of the committee secretariat for their very good work. While developing and producing this report, they were under enormous strain from other pressures within the committee. It is a credit to them that we actually got the report in during the life of the previous parliament and presented it to the parliament.

I also give credit to the chair of the committee, Senator Ellison from Western Australia. He did a phenomenal job in holding together the committee on what had the potential to be a very divisive issue, both within the committee and within the community. Senator Ellison managed the committee with acumen and grace, and it was a credit to him. I think the report itself is evidence enough of that matter. Senator Ellison will remain on the committee during the life of the next parliament.

In the brief time available to me this evening, I do not want to canvass the issues contained in the report, other than to draw attention to an additional comment of a page and a half that I included in the report. Without diminishing or disregarding the issues the committee was looking at, this report brought very much to the fore the matter of legal aid to people who are involved in litigation in this country.

It might appear to some people that the Faulkners—the people involved in the litigation that the committee was examining—did not receive any legal assistance. In actual fact, over the life of the legal cases that they were involved in, they received something like $130,000 in public funds to assist them with their case. That is not an inconsequential amount of money. However, it does bring to the fore the many thousands—probably hundreds of thousands—of people in Australia

now who cannot receive any form of legal assistance at all. Even when they do receive some form of legal aid from the various legal aid commissions around the country, there are many conditions attached to that legal aid.

In my own state of Western Australia, some 40 per cent of applicants for legal assistance in the last financial year were rejected out of hand. There was no money available for them. Some 5,500 people were unable to get legal assistance from the Legal Aid Commission of Western Australia. The very last paragraph of the committee report draws attention to the matter of the lack of funds available for legal assistance. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

Question resolved in the affirmative on the following orders of the day without further debate during consideration of committee reports and government responses:

Privileges—Standing Committee—58th report—Possible improper interference with a witness before Select Committee on Unresolved Whistleblower Cases. Motion of Senator Teague—That the Senate endorse the finding at paragraph 10 of the 58th report of the Committee of Privileges

SESSIONAL ORDERS

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

That the sessional orders in force on 30 November 1995 continue to operate on Monday, 20 May, Tuesday, 21 May, Wednesday, 22 May and Thursday, 23 May 1996.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Ferguson)—The President has received letters from the Leader of the Government in the Senate nominating senators to be members of various committees.

Senator KEMP (Victoria—Manager of Government Business in the Senate)—by leave—I move:

That senators be appointed to standing committees as follows:

All Legislation Committees except the Legal and Constitutional Legislation Committee—

Participating member: Senator Abetz

Foreign Affairs, Defence and Trade References Committee—

Substitute member: Senator Teague to replace Senator Troeth (till 30 June 1996)

Participating members: Senators Troeth (to 30 June 1996, Eggleston from 1 July 1996).

May I also say what a pleasure it is to see you in the chair and what a distinguished Acting Deputy President you make, Senator Ferguson.

The ACTING DEPUTY PRESIDENT—Thank you.

Question resolved in the affirmative.

ADJOURNMENT

Motion (by **Senator Kemp**) proposed:

That the Senate do now adjourn.

Education and Training in Correctional Facilities

Senator TIERNEY (New South Wales) (7.16 p.m.)—I rise in some frustration over the lack of opportunity to speak on reports tonight and on a previous occasion. Given that I am speaking on a report that was tabled out of session and that time is going on, I would like to take the opportunity during the adjournment debate to speak on a very important inquiry by the Senate Standing Committee on Employment, Education and Training—indeed, the last inquiry of the former Senate—which was tabled one week before the Senate resumed in the new 38th parliament.

The report is entitled *Inquiry into education and training in correctional facilities*. Senators on the committee moved around Australia and went into prisons around Australia and examined the nature of the education and rehabilitation of prisoners. This matter has become topical in recent times because of the riots in the prisons in South Australia. It became so topical that, on the ABC the other night, Tony Delroy scheduled a one-hour session to discuss the state of prisons. I had the opportunity to ring in—if any of you were listening from 10 to one until 20 past one in the morning, you would have heard me—to speak about the work of this committee and the work of the Senate.

The way in which we have made recommendations for the improvement of prison education in Australia is basically as is shown in the introduction to this report. We found that education in prison was a disgrace, but that does not mean it has not improved. It was, actually, appalling previously; it is now a disgrace. There has been some improvement but, as that terminology indicates, there is a very long way to go to improve the present state of rehabilitation in this country. What we saw as being needed is a major paradigm shift in our approach to prisons in this country.

We should stop looking at prisons as purely custodial institutions and see them more as rehabilitation institutions for some of the most disadvantaged groups in our society. During our inquiry we quite often found people who were illiterate. When they went back out into the world they could not—because of their record, because of their lack of skill and because of their lack of education—be employed in any sort of job. As a result, many went back into a life of crime.

The essence of what we focused on in the committee report was, first of all, improving education within the prison system so that these people have a chance when they try to go straight on the outside. We also focused on—I think this was the most glaring problem in the whole system—building a better link between rehabilitation in prisons and rehabilitation when these people leave prisons. A lot of them leave with the clothes on their back, a little bit of money and with no support following that time in prison.

I will return, firstly, to what is actually happening in prisons. We found that industry in prison had a much higher priority than education in prison. People sometimes picked up work skills from working in industry in prison, but not necessarily in a systematic way. There seemed to be a priority in the whole system for making money to help fund the prison system. This was perhaps good for the bottom line budget, but it was not good for the rehabilitation of the prisoners.

We found that generally there was a poor range of courses and that courses were rarely linked to outside mainstream courses. Indeed, in many states there was tension between the department of correctional services and the education department about who should be running education in prisons. The outcome was different state by state. Often the education of the people who were custodial officers in prisons was very piecemeal as well.

As a result of what we saw in the education area, the report came up with 32 recommendations, and the report was unanimous. As a group, the Democrat, Liberal and Labor committee members saw the great need for improvement in prison education. The major problem we saw as we looked at the system was illiteracy. The main need in prisons at this time is to give people the basic skills that most of us take for granted so that people can read and write and are numerate. It is not necessarily the case in prisons that people have these basic skills. If you send people out in the world without any skills, recidivism is going to be a problem; they will be back with you.

People will claim, 'Well, it will cost money to improve this,' but think of the cost of the crime rate to society because we are not doing it. If you do it, you can reduce crime: you can reduce the costs of policing; you can reduce the costs in the justice system; social security for prison families is reduced; and the cost of just keeping the prisoner—which is about $50,000 a year—is reduced. If you add up those savings, it provides a fair pool for preventative measures—for preventing people from reoffending and getting back into prisons again.

The basic problem of literacy came to us most starkly in a previous report in which we looked at prisons. One of the prisoners came before us at that time and told us that in his prison in Queensland one-third of the inmates were totally illiterate, one-third were partially illiterate and one-third were literate. If you have that situation and you do not have a proper education and training program, you will have continuing problems when people leave prisons.

The other group that we found greatly disadvantaged apart from the ones who were not literate was women in prisons. There are not many women prisoners in the country. If

you look at it as a proportion of the total, it is a tiny amount. So when you come to educating women in prison, you have very small groups scattered across a very large range of prisons. That makes the cost of educating them a lot higher. Many of them desperately wanted to join particular courses that they were interested in, but they were not available because of that. One woman told us her real need for education was because, 'I will just go stir crazy if I don't get something like this in the prison'. In her case and in the case of many others it was not available. We need to develop a much wider range of courses in the prison system.

There are over 30 recommendations from the committee to improve the situation and to better integrate what was happening in prison with the mainstream of the education system in this country. We recommended that ANTA, the Australian National Training Authority, direct some of its growth funding into prison education, that there be properly designed, delivered and accredited courses in prisons, and that the National Training Authority monitor the standard of prison courses.

Also, when they leave prison, as I alluded to earlier, there needs to be a much better pathway in the community to continue that education that these people have started in prison. There was a total lack of interface between what was happening in education in the prisons and what happened when they left. Even programs that had been established to help prisoners when they left were often temporary and were shut down—like the one in Fairlea women's prison, which only cost $2,000 and which was helping people who had offended get back into the community, but after one year it was shut down because of lack of priority.

There needs to be a much higher priority for prison education. For state governments, it can save them a lot of money. For the community, it can save them crime and reduced legal costs. For prisoners, it gives them a chance to break out of a life of crime, to rehabilitate themselves and assist them to contribute to our society.

Gun Control

Senator WATSON (Tasmania) (7.26 p.m.) I want to commend the Prime Minister (Mr Howard) on his initiative in proposing to the states that laws relating to the control of weapons should be strengthened. The tragedy which occurred on a recent Sunday at Port Arthur has shocked all Tasmanians. Such violence is not part of the Tasmanian way of life. Our historical treasures remind us of the past and thereby highlight the law and order we have today—or what we thought we had until the tragedy on that Sunday.

However, this tragedy reaches beyond Tasmania. Because so many victims were visitors from the mainland, the result of the violence has been brought home to all Australians—to Tasmanians, as well as to those in other states and other countries. Belatedly, we have been made all too fully aware that if 35 people could be shot dead in a peaceful setting such as Port Arthur on a quiet Sunday afternoon, there is no place anywhere in Australia that is safe.

We should have the courage to take whatever measures are necessary to reduce the likelihood of such a tragedy ever happening again. Whether it is someone who is determined to take vengeance on society or someone who acts dangerously or recklessly in undertaking legal activities, or whether it is simply someone who fails to take due caution with a weapon, the loss of life or at least harm to an individual is likely in a society where there is unfettered access to military-style firearms.

Controlling the use of guns is just one measure which the Prime Minister will recommend to the states tomorrow. He is strongly of the view that we need to totally prohibit the ownership, possession, sale and importation of all automatic and semi-automatic weapons. He will also urge the state ministers to approve a national register to give strength to the import regulations which are in place. However, because gun owners have purchased these in the past in good faith, he is recommending a six-month amnesty period during which people would be required to surrender their guns. He believes there should also be proper compensation for their surrender.

As the Prime Minister said last Monday, there are, however, other related issues arising from this tragedy. These include a consideration of the way we care for the disabled and the influence of visual media, particularly on those already predisposed to violence.

Mr President, I would like to spend a few minutes in drawing your attention to this last aspect—the predisposition to violence. Reverend Newt, the Anglican minister in Ulverstone, on the north-west coast of Tasmania, focused on this aspect when he spoke at a memorial service for the victims last week. He highlighted how we are being 'desensitised to evil'. Television and video viewers are being constantly tempted to indulge in violence and to pore over the manner in which people can be killed. Take your morning newspaper as an example. You only have to flick over to the entertainment page to be faced with a barrage of weapons advertising box office hits at the various cinemas.

But the concern is not only the graphic display of the type of weapon and its use. It is the context, too, which is disturbing. The context for many, unfortunately, does set up a challenge. Once this challenge is embedded in the desensitised mind of a person, particularly someone who is prone to violence, conscience and morality are often replaced by a ruthless desire for power, revenge or simply a macabre craving to produce shock horror. There are those viewers whose longing to exert mastery over the weapon will take priority over the appreciation of the value of human life. In fact, they lose all comprehension of its sanctity.

For those who have become victims of crime for which step by step instructions have been given on the television, on movies and on videos, as well as in video games, the steps taken by the Prime Minister will be heartening. The Prime Minister has set up a committee, to be headed by my colleague Senator Richard Alston, to access the impact of violent videos, movies and video games. These kinds of products are very often found in the homes of those who commit such crimes, so the need to address these issues is urgent. It is extremely encouraging to me that the Prime Minister has taken up this challenge and I commend him for it. I thank the Senate.

Senate adjourned at 7.31 p.m.

DOCUMENTS

Tabling

The following document was tabled by the Clerk:

Aboriginal and Torres Strait Islander Commission Act—Statement under section 122A—Suspension of a regional councillor from office—No. 1 of 1996.

The following document was tabled by the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone):

Employment—Labour Market Program (LMP) funding—Copy of minute from D A Hollway, National Office, Department of Employment, Education, Training and Youth Affairs to area managers, dated 9 May 1996.

Indexed Lists

The following document was tabled pursuant to the Order of the Senate of 28 June 1994, as amended on 10 October and 14 November 1994:

Indexed lists of departmental files for the period 1 July 1995 to 31 December 1995—Department of Primary Industries and Energy.