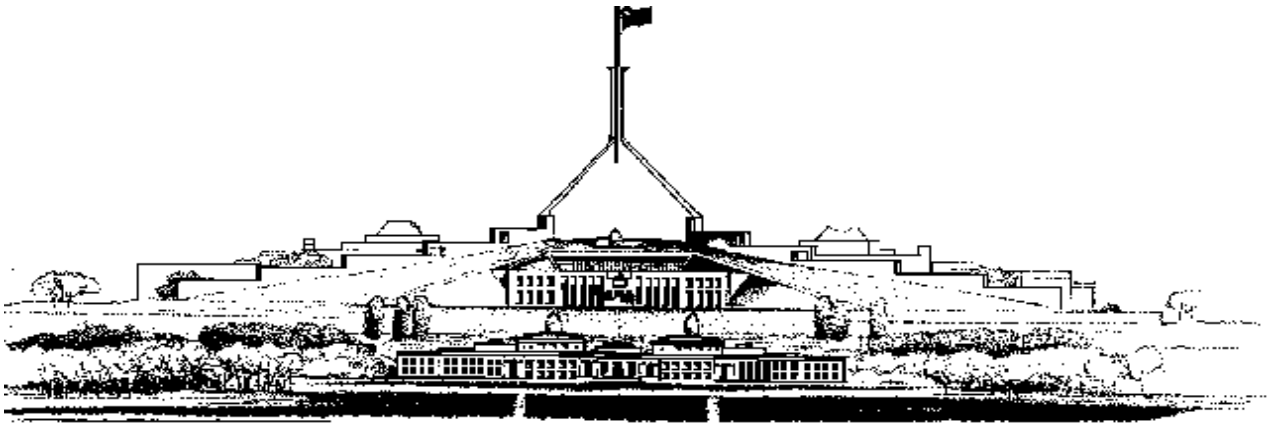




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PARLIAMENTARY DEBATES



SENATE

Official Hansard

No. 4, 2001

TUESDAY, 27 MARCH 2001

THIRTY-NINTH PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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SITTING DAYS—2001

Month	Date
February	6, 7, 8, 26, 27, 28
March	1, 5, 6, 7, 8, 26, 27, 28, 29
April	2, 3, 4, 5,
May	22, 23, 24
June	4, 5, 6, 7, 18, 19, 20, 21, 25, 26, 27, 28
August	6, 7, 8, 9, 20, 21, 22, 23, 27, 28, 29, 30
September	17, 18, 19, 20, 24, 25, 26, 27
October	15, 16, 17, 18, 22, 23, 24, 25
November	12, 13, 14, 15, 19, 20, 21, 22
December	3, 4, 5, 6, 10, 11, 12, 13

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<i>ADELAIDE</i>	972 AM
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<i>HOBART</i>	729 AM
<i>DARWIN</i>	102.5 FM

CONTENTS

TUESDAY, 27 MARCH

Questions Without Notice—	
COP6: Greenhouse Gas Negotiations.....	23067
Rural and Remote Australia: Postal and Banking Services.....	23068
Telecommunications: Spectrum Sale.....	23069
Family Tax Benefit.....	23070
Goods and Services Tax: Rural and Regional Australia.....	23071
Environment: Land Clearing.....	23072
Economy: Business Expectations.....	23074
Parliament House: Greenhouse Advertising Program.....	23075
Goods and Services Tax: Small Business.....	23076
Nuclear Waste.....	23077
Goods and Services Tax: Small Business.....	23078
Answers To Questions Without Notice—	
Goods and Services Tax: Pensions.....	23079
Centrelink: Goondiwindi District.....	23080
Health Services: Positron Emission Tomography.....	23080
Gene Technology.....	23081
Goods and Services Tax: First Home Owners Scheme.....	23082
Telecommunications: Spectrum Sale.....	23082
Goods and Services Tax: Small Business.....	23082
Nuclear Waste.....	23088
Condolences—	
Martin, Mr Vincent Joseph.....	23089
Petitions—	
Australian Broadcasting Corporation: Independence and Funding.....	23089
Australia Post: Deregulation.....	23089
Non-Violent Erotica.....	23090
Woodside Petroleum: Proposed Takeover by Shell Australia.....	23090
Notices—	
Presentation.....	23090
Withdrawal.....	23090
Committees—	
Rural and Regional Affairs and Transport Legislation Committee—	
Extension of Time.....	23091
Economics Legislation Committee—Extension of Time.....	23091
Legal and Constitutional Legislation Committee—Extension of Time.....	23091
Leave of Absence.....	23091
Notices—	
Postponement.....	23091
Pharmaceutical Benefits Advisory Committee—	
Return to Order.....	23091
Business—	
Government Business.....	23092
Business of the Senate.....	23092
Committees—	
Superannuation and Financial Services Committee—Reference.....	23092
Community Affairs Legislation Committee—Extension of Time.....	23092
Community Affairs Legislation Committee—Meeting.....	23093
Legal and Constitutional Legislation Committee—Extension of Time.....	23093

CONTENTS—*continued*

Superannuation and Financial Services Committee—Reference	23093
Corporations and Securities Committee—Extension of Time.....	23093
Environment, Communications, Information Technology and the Arts References Committee—Extension of Time	23093
Environment, Communications, Information Technology and the Arts References Committee—Extension of Time	23096
Television Broadcasting: Asia Pacific Region.....	23096
Foot-And-Mouth Disease: Europe.....	23097
Matters Of Public Importance— National Competition Policy	23097
Budget 2000-01— Consideration by Legislation Committees—Reports	23109
Consideration by Foreign Affairs, Defence and Trade Legislation Committee—Additional Information	23109
Committees— Membership.....	23109
Migration Legislation Amendment (Integrity of Regional Migration Schemes) Bill 2000 and Taxation Laws Amendment (Excise Arrangements) Bill 2000— First Reading	23110
Second Reading	23110
Bills Returned From The House Of Representatives	23112
Renewable Energy (Electricity) Regulations 2001	23112
Crimes Amendment (Age Determination) Bill 2001— Report of Legal and Constitutional Legislation Committee.....	23126
Taxation Laws Amendment (Excise Arrangements) Bill 2000— Second Reading	23126
Documents— Australian Radiation Protection and Nuclear Safety Agency.....	23130
Adjournment— Political Heroes	23132
Environment: Water Management.....	23134
Australian Defence Industries: Proposed Sale.....	23134
Gloucester, New South Wales: Job Losses	23136
Federal Election: Labor Party Preselections.....	23138
Questions on Notice— Civil Aviation Safety Authority: Staff—(Question No. 2537)	23142
Transport and Regional Services Portfolio: Legal Advice— (Question No. 3367)	23142
Defence Portfolio: Value of Market Research—(Question No. 3390)	23142
Indonesian Military Personnel: Training—(Question No. 3428)	23144
Transport Safety: Seat Belts on School Buses—(Question No. 3434).....	23144

Tuesday, 27 March 2001

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

QUESTIONS WITHOUT NOTICE

COP6: Greenhouse Gas Negotiations

Senator BOLKUS (2.00 p.m.)—My question is directed to Minister Hill, the Minister for the Environment and Heritage. I ask the minister whether he can confirm that a month ago he wrote to the United States government offering himself as a bridge between the United States and the EU when greenhouse negotiations resume at COP6. Did the minister also write to the Prime Minister advising him of this action and seeking the Prime Minister's approval? Is it further true that the Prime Minister referred the matter to the ministerial council on greenhouse, where it was vetoed?

Senator HILL—I read that in a newspaper. It is basically untrue. I am certainly interested in facilitating progress on implementation of the Kyoto protocol. That protocol is the first attempt by developed countries to agree to an actual reduction in greenhouse gas emissions. It would be some five per cent of 1990 levels by the year 2010—that is, of the group as a whole. It is therefore very important in terms of being about a changed culture on greenhouse emissions across the globe. The implementation of the Kyoto protocol has been stalled whilst parties have addressed matters of details that were unresolved at Kyoto, in particular matters relating to the flexibility mechanisms, the detail of emissions trading, the clean development mechanism and the like, and matters concerning the definition of sinks and whether they would apply in the CDM, and the participation of developing countries.

As Senator Bolkus knows, at The Hague last year at COP6, the international community was unable to reach resolution on these matters. That particular conference of the parties has now been adjourned until July of this year, and Australia is keen to make progress in the meantime—in other words, keen to facilitate dialogue that could reduce the outstanding differences, in particular the dif-

ferences between the European Union countries and the umbrella group countries, which basically means the other countries of the developed world, and also differences between the developing countries and the developed world. I certainly wrote to the new US minister saying that Australia was keen to progress the issue in the terms that I have just explained to the Senate, and that remains our position. I will be hosting a meeting of greenhouse ministers in New York in a couple of weeks time. I will be attending an extended bureau meeting—

Senator Bolkus—Madam President, I rise on a point of order. The minister is having a fairly wide ramble on the issue of greenhouse, but the question was quite direct, and it went to the minister offering himself as a negotiator between the EU and the US. He has not answered that question. I ask you to direct him to the question. He is irrelevant, at the moment.

The PRESIDENT—There is no point of order.

Senator HILL—We have been chairing the umbrella group and, in that capacity, we will look to advance the negotiations. We have been facilitating a dialogue between the umbrella group and the EU, and we will be continuing that. We hosted the first meeting between the umbrella group and the developed world at The Hague, and we will be continuing that, as I said. I have a series of such meetings lined up in New York in about a fortnight's time, including a meeting of the extended bureau of the COP, under Dutch Minister Pronk. I hope that out of these interim meetings progress will be made towards a situation where I can be more confident that the meeting in July will achieve the objectives that I said were so important. I am keen, and the Australian government is keen, to get the Kyoto protocol implemented. We are therefore keen to get the unresolved issues settled as soon as possible. Anything we can do to assist in that regard we will be doing.

Senator BOLKUS—I ask a supplementary question and I note that the minister has skirted the issue raised in the question. I ask the minister: how does he explain writing to the US government about his negotiating

strategy, offering himself, without the prior approval of either the Prime Minister or cabinet?

Senator HILL—I can write to my American counterpart as often as I like and when I like but, in this instance, it was after discussion with the Prime Minister.

Rural and Remote Australia: Postal and Banking Services

Senator EGGLESTON (2.06 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. Will the minister inform the Senate of the government's recent initiatives to improve postal and banking services, in particular for rural and remote areas? Is the minister aware of any alternative policy approaches? What would be the impact of these were they to be implemented?

Senator ALSTON—I thank Senator Eggleston for a very important question. It provides the opportunity to highlight the chasm that exists between the approaches of the two major parties on postal and banking services, particularly in rural and regional areas. Not only have we been committed for a long time to retaining Australia Post in full public ownership and continuing provision of the standard letter service at a uniform rate to all Australians but we have introduced for the first time ever a postal services charter. We actually put consumers first. I know the other side put unions first. That is where they get their policies from, and presumably the ACTU has not yet delivered the final form of the documentation, so naturally enough they do not have a policy position on that. Let it be absolutely clear that we believe in codes of practice. We believe in requiring standards to be in place, like our customer service guarantee for telecommunications services. We have also ensured that Australia Post continues to provide vital subsidies to 700 licensed post offices. That is a very important initiative as well. GiroPost is expected to be fully rolled out across regional Australia by June this year, and again there will be the capacity for banking and bill paying services through 2,800 postal outlets.

Let us look at what Labor managed to achieve in their period in office. I think we

all know by now that to date we have opened in excess of 100 postal outlets, and I think we all know that the Labor Party over their last six years of government managed to close 277 outlets. But do you know what the figure was in the last three years alone? It was 500. This is appalling. Now, of course, they want to turn the clock back and presumably—in theory—spend hundreds of millions of dollars on reopening the very post office outlets that they closed. I think their postal position is stark naked. But the banking one is even worse because there are very serious implications here for anyone who wants to think that they can have confidential discussions with the Labor Party. Mr Beazley said today in his doorstep about the banking announcement:

I'm pleased to be here to release our policy.

He really means 'the policy we pinched from the banking association', but he continued:

This is the work of extensive consultation with the banks. Banks have been consulted. This is what you do when you are producing serious policy for the Australian people.

A very laudable statement—correct? He is then asked:

Have you approached the banks?

Of course, the leader says:

Well actually Steven—

and unfortunately he is not here. Presumably he is outside being counselled by Senator Ray for plagiarism, and one would hope that that lesson will dawn on him that this will react fundamentally against them. Mr Beazley said:

Steven has been having consultations with the banks. I will just ask him to answer that.

Senator Conroy said:

Look, we've spoken with the banks and given them a briefing as much as we could this morning and we haven't yet received a response from them.

In other words: 'We have done no consultations at all and why would we? We have gone out there and pinched their policies over the weekend, we got a confidential briefing from them on the Friday, we tarted it up a bit, put it out in the marketplace and of course we haven't consulted with them.' Imagine if you did. Imagine if you rang them

on the Sunday night. They would be appalled. They would have an injunction out to restrain you from misleading and deceptive conduct. If this is what consultation is all about, if this is listening to the community, I call it plain old-fashioned theft. This is the high-water mark of policy laziness. This crowd clearly are not interested in doing their own homework. I do not know why the ACTU did not have a policy on this one, but unfortunately it probably did not arrive on time, so they had to pinch one and I am sure they will try to do it again. *(Time expired)*

Telecommunications: Spectrum Sale

Senator SCHACHT (2.11 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Does the Assistant Treasurer stand by the claim he made in the Senate yesterday that ‘as responsible governments do in these matters where a different range of factors present themselves, the budget estimates for the 3G auction were revised downwards’? If so, can he inform the Senate who conducted these revisions, when they were conducted and the quantum of the downward revisions?

Senator KEMP—These are done in the normal course of events as the government prepares estimates. There is no big surprise in this. We work closely with the relevant departments.

Opposition senators interjecting—

Senator KEMP—Yes, of course we do. We consult widely, quite unlike the Labor Party. We would certainly make sure that when we revise the estimates that—

Senator Sherry interjecting—

Senator KEMP—I am pointing out to you that the estimates were revised downwards and, as I mentioned in my remarks yesterday, the final price of, I think, \$1.17 billion came in just above the reserve price.

Opposition senators interjecting—

The PRESIDENT—Order! There are too many interjections and the Senate will come to order and observe the standing orders.

Senator KEMP—I am pointing out to Senator Schacht that in the light of changed market conditions revisions were made, and the reserve price was just under—

Opposition senators interjecting—

The PRESIDENT—Order! The shouting that is going on on my left is totally disorderly, and those doing it know that that is the case. I draw your attention to the standing orders.

Senator KEMP—I am pointing out to Senator Schacht that with changed conditions we made revisions. We consulted widely. A reserve price was set, and the final price that we received for the spectrum sale was in the order of \$1.17 billion, which was just above the reserve price.

Senator SCHACHT—Madam President, I ask a supplementary question. Despite the fact that the minister could not in any way answer the question, I will give him one more chance to provide relevant information to the Senate. Does the Assistant Treasurer recall that at estimates hearings last month officials from both the department of finance and the department of communications confirmed that the government had not varied the budget estimates of \$2.6 billion from the 3G spectrum option? If this is correct, on what basis did the Assistant Treasurer assert yesterday that the government had varied its budget estimate?

Senator Hill—Madam President, I raise a point of order. This practice, which is becoming somewhat common, of commenting on an answer before asking the supplementary is out of order.

Senator Bolkus—What do you think supplementaries are for?

Senator Alston—They are about questions, not statements.

Senator Hill—No, they are not about—

Senator Schacht interjecting—

The PRESIDENT—Order, Senator Schacht! Senator Hill has sought to raise a point of order. For you to be sitting there shouting during the answer is totally disorderly and disrespectful of the chamber. I am listening to the point that is being made.

Senator Hill—Madam President, taking the interjection, supplementaries are not about Senator Schacht’s opinion of the answer he has been given. He has the opportunity to ask a supplementary question. In this instance, he premised it with a commentary.

As I said, if this was an occasional occurrence, one would not be particularly disturbed, but it has become common practice and in effect it is being used as a tool to make statements after each question. I respectfully request that you draw the standing orders to the attention of the Senate.

Senator Faulkner—Madam President, on the point of order: you might note that Senator Schacht's question went to an answer to a question directed originally to Senator Kemp in question time yesterday. Senator Schacht is following through in his supplementary question a clear inconsistency with the information presented by Senator Kemp in the Senate chamber and the information that was provided to opposition senators in estimates committees. Of course it is in order. This is an attempt by the Leader of the Government in the Senate to cover up again.

The PRESIDENT—I will allow the supplementary question, but I think all senators know that the appropriate course is to ask questions and supplementary questions. Commentary is not part of it; it certainly should, if anything, be kept absolutely to a minimum.

Senator KEMP—Let me make it clear to Senator Schacht: these estimates have obviously been kept under active review and, in the light of changed market conditions, have been revised. I did point out to Senator Schacht that—

Senator Alston—At the appropriate time.

Senator KEMP—Thank you, Senator Alston. I did point out to Senator Schacht—and I will repeat it—that a reserve price was set and the final price that we received for the sale was, I think, \$1.17 billion, which was just above the reserve price.

Family Tax Benefit

Senator TCHEN (2.17 p.m.)—My question without notice is to the Minister for Family and Community Services, Senator Vanstone. When the government introduced family tax benefits, the government promised to increase payments to Australian families by more than \$2 billion a year. Will the minister inform the Senate of the benefits of this package to working families?

Senator VANSTONE—I thank Senator Tchen for the question. This government has made a strong commitment to families and has delivered on that commitment. We have massively increased assistance to families with the introduction of the family tax benefit: 2.2 million Australian families and over four million children have benefited from the new family tax benefit which was introduced on 1 July last year; that is, over 90 per cent of Australian families with dependent children. Rates have increased by \$140 a year per child under part A. Under family tax benefit part B, single income families with a child under five have received an additional \$350 a year. The income testing arrangements are more generous with more families receiving maximum levels of assistance and more families able to keep more of what they earn.

Low income families are the big winners. A couple with children aged four and eight on one income of \$20,000 a year saw an increase in their disposable income of \$58 a week. A couple with children aged four and eight on one income of \$26,000 saw an increase of \$42 a week. A single parent in full-time work with the sole care of children aged between four and eight, an income of \$20,000 and who uses child care saw an increase in their disposable income of \$52 a week. A single parent in full-time work with the sole care of children between four and eight, an income of \$26,000 and who uses child care saw an increase of \$64 a week. So the government has delivered on its commitment to Australian families.

In contrast, the opposition deserves some attention. Mr Swan is prepared to spout a lot of rhetoric about the need for increased financial resources when children are young. However, like the rest of his Labor colleagues, he will not make any commitments. As Mr Beazley told everybody, if you do not have any policies, how can you possibly cost them? Now is the time for Mr Swan to come forward and tell us what Labor is prepared to pay. Mr Swan is Labor's hollow man. Coincidentally, those of you who were watching the Academy Awards last night would have seen the movie *Hollow Man* nominated for best visual effects. If Mr Swan were in the

movies, he would be nominated for the best verbal effects. He would be a shoo-in for the nomination. There is a lot of talk but, when you talk the talk, you have got to walk the walk. *Hollow Man* did not win last night and Mr Swan, the hollow man of verbal effects, will not get anywhere unless he delivers. Now is the time for Labor to show us the colour of their money. Mr Swan has been going around and leading pensioners to believe that their pensions have been cut by two per cent. That is, of course, wrong. But if he really believes it, now is the time for him to make a firm commitment. Pensioners are now saying, as they did in the movie *Jerry Maguire*, 'Show us the money.' From 1998 to the end of this financial year, this government will have spent \$4 billion more on pensioners than Labor's policies would ever have delivered.

Senator Cook—Wrong!

Senator VANSTONE—Quite right: \$4 billion more on pensioners than Labor's policies would ever have delivered.

Senator Cook—Wrong!

Senator VANSTONE—I will take you on any time, sport. The question is: are Labor prepared to make a commitment to increase pensions by a further two per cent? Are you prepared to make a \$3 billion to \$4 billion commitment to pensioners? Are you prepared to make that commitment? I am waiting. Are you going to make a forward estimate commitment of \$4 billion? Come on, show them your money or shut up!

Honourable senators interjecting—

Senator Cook—And she can't tell the truth, either.

Senator Vanstone—Madam President, I raise a point of order. As Senator Harradine knows, I do not often take points of order on people who make interjections and say nasty things because it is the nature of the people on the other side to do that. But, 'She can't tell the truth,' is not an interjection I am happy to have on the record, so I ask you, Madam President, to ask Senator Cook to unconditionally withdraw.

The PRESIDENT—Senator Cook, I call on you to withdraw that interjection, please.

Senator Cook—If I have said anything that offends the standing orders, I withdraw.

The PRESIDENT—Senator, I ask you to withdraw.

Senator Cook—I withdraw.

Goods and Services Tax: Rural and Regional Australia

Senator WEST (2.23 p.m.)—My question is—

Senator Cook—Standing orders mean you can't tell the truth in this chamber. That is what the standing orders mean.

Senator WEST—My question is to—

Senator Cook—Standing orders prevent you from telling the truth.

The PRESIDENT—Order! Senator Cook! I have called Senator West to ask a question.

Senator WEST—My question is to Senator Kemp, the Assistant Treasurer. Can the minister confirm that, according to the New South Wales Chamber of Commerce, business confidence in regional New South Wales has fallen to its lowest level in five years as a direct result of the GST? Isn't it a fact that 77 per cent of respondents reported that, since the introduction of the GST, they have had to pay additional fees for professional services in order to calculate and lodge their BAS and that more than 40 per cent of these firms paid in excess of \$1,000? Is this what the Prime Minister meant by the GST being good for the bush, with collapsing business confidence and skyrocketing accounting fees?

Senator KEMP—Thank you for that question, Senator West. Let me respond by making a number of comments. First of all, there is the obvious response that, if the GST is so bad, as it is according to Senator West, why is the Labor Party proposing to keep it? It is a very valid question.

Senator Cook—Madam President, I raise a point of order. I draw your attention to the standing orders, which say, 'In answering a question, a senator shall not debate it.' This minister has started his answer by debating it, by alleging something that is entirely untrue about the Labor Party—and he is a serial offender on that—and proceeding to debate

that point as if it were a matter of fact. Madam President, if it is proper for you to caution Senator Schacht about commenting on questions before he asks them, it is proper now for you to tell Senator Kemp not to debate questions but to in fact give an answer. That would be consistent with the standing orders.

The PRESIDENT—Order! You are absolutely—

Honourable senators interjecting—

The PRESIDENT—Order! I am attempting to rule on a point of order that has been raised by Senator Cook. Senator Cook, you are right: it is not appropriate to debate answers to questions. Whether or not Senator Kemp is at this stage, it is too early to tell, but he knows that he is not allowed to debate answers. I invite him to answer the question.

Senator KEMP—Thank you, Madam President. Indeed, I had barely started my response before Senator Cook, who is well known for his excessively short temper, I might say, immediately jumped to his feet. I was making the point—and I think it is a very important point—that we had an example with the questioner jumping to her feet and the thrust of the question was to attack the GST. Okay, she is entitled to do that, but it does raise the issue that if the Labor Party is so opposed to the GST, why does the Labor Party propose to keep the GST? I think that is a fundamental issue which, as the months roll on towards the next election, is going to have to be addressed. I say to Senator West and her colleagues: if you believe that this tax change is so bad, why don't you stand up and propose to change it?

Senator Cook—We're going to roll it back.

Senator KEMP—The answer is that the Labor Party have already said that they propose to keep it. Now Senator Cook has called out that it will be rolled back. Let us just take the interjection from Senator Cook and let us say there was a 20 per cent roll-back, which is a pretty small roll-back. This would probably cost the budget in the order of \$5 billion to \$6 billion. So, in that context, it shows the utter absurdity of Senator Cook

jumping to his feet and making comments about roll-back.

The other point I make is that there is no doubt that one of the driving forces behind tax reform came from the farming sector. The reason they were such hard drivers for tax reform was that they recognised that the farming sector were carrying a lot of embedded taxes in their exports which were making it difficult to compete on world markets. Indeed, one of the many pluses of tax reform is that it delivers these very substantial benefits to the farming sector, which have been very widely welcomed.

So it is not correct, as Senator West has alleged, that somehow tax reform is causing particular problems in rural and regional Australia. The fact of the matter is that tax reform is good for rural and regional Australia. I think the very strong performance of the export sector that we have seen over the last year is just one particular point that one can make to argue that in fact tax reform has been particularly good for rural and regional Australia.

Senator WEST—Madam President, I ask a supplementary question. I would draw the attention of the minister to the fact that primary industry and primary production is not the only business and industry in rural and regional Australia. In light of this collapsing business confidence in the bush, will the Howard government take up the Treasurer's proposal to slash the wages of workers in rural and regional Australia as an attempted solution to this GST imposed collapse?

Senator KEMP—Madam President, the comment that was made by Senator West is totally wrong, as she well knows. That was never proposed by the Treasurer. I point out to Senator West that this matter has been debated previously in this parliament, and I have had a previous occasion on which to make a correction to that sort of comment. So I refer you to previous *Hansards* on this matter.

Environment: Land Clearing

Senator BARTLETT (2.30 p.m.)—My question is to the environment minister. Can the minister outline what action the federal government is taking to reverse the ongoing

environmental disaster of land clearing throughout Australia? Will the minister ensure that in the next round of funding for the Natural Heritage Trust money is not provided to anyone unless they give a clear commitment that they will not engage in clearing vegetation? Can the minister guarantee that the taxpayer will not be paying money to someone to plant trees in one spot while they cut down trees and bushland in another?

Senator HILL—The government believe that land clearing is continuing in Australia at an unacceptable rate, principally in Queensland. We believe that in the last year in excess of 450,000 hectares of native vegetation were cleared in Queensland and over 200,000 hectares of that were within the Murray-Darling Basin.

Senator Brown—And you let it happen.

Senator HILL—As Senator Brown knows, the constitutional responsibility in relation to natural resource management in this country rests with the states.

Senator Brown—It is your responsibility.

Senator HILL—It is therefore surprising that Senator Brown will not even urge the Queensland Premier to meet his constitutional responsibility to curb overclearing of land. Senator Brown will not even mention to the Queensland Premier that he has the primary responsibility in this regard and should act. Other mainland states have all regulated land clearing of native vegetation. In my home state of South Australia it was done about 20 years ago and the South Australian people paid for it. The other states have done likewise. The state that has not done it in relation to broadacre clearing is Queensland under Labor Premier Mr Beattie.

Senator Bartlett—Madam President, I rise on a point of order, which goes to relevance. My question specifically asked what action the federal government is taking not just about land clearing in Queensland but about land clearing around Australia, which is causing major biodiversity impacts in states other than Queensland. The question was: what action is the federal government taking?

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

Senator HILL—Certainly. What I am saying is that the Commonwealth can have a role in supporting the states in meeting their constitutional responsibility. The government are prepared to do that with Queensland, which is the principal culprit in this area and has not acted at all to curb broadacre land clearing of native vegetation. We have offered Premier Beattie financial support which would assist the farmers who may lose as a result of such restraint. We are doing that in relation to Queensland in a way that no Commonwealth government has done in relation to any other state, because we accept the size of the problem in Queensland and also the opportunity in that not as much of the state has been cleared as in other states. It is true that in some other states, when the regulations to curb clearing were brought in, up to 90 per cent had already been cleared.

So we have made that offer to Mr Beattie. Mr Beattie will not take it up, so the Commonwealth is doing what it should do as a partner towards achieving a better natural resource outcome. But unless the Queensland government and the Queensland Labor Premier are prepared to act to meet their constitutional responsibility, there will be an ongoing problem. I say again: why aren't Mr Beazley and the Labor Party in Canberra, Senator Brown—who claims to be the guardian of native vegetation—and the Australian Democrats demanding that the Queensland government act? Mr Beattie in Queensland has a huge majority. He ought to now have no excuse but to meet his constitutional responsibility and act in that regard. If he is prepared to do so, as I said a few moments ago, this Commonwealth government will be prepared to support him.

The Prime Minister wrote to Mr Beattie before Christmas and said that that was the case. Before Christmas we also had the two principal farming/land-holder groups in Queensland acknowledge that there was a need to curb land clearing—maybe they were not enthusiastic about it but they recognised that it needed to be done. What they wanted was proper support and compensation. This government has been prepared to

offer that but the state government has not been prepared to meet its constitutional responsibility and act. (*Time expired*)

Senator BARTLETT—Madam President, I ask a supplementary question. Is it not the case that the Commonwealth has the constitutional, legal and financial power to act now to address this issue, in terms of environmental damage being caused by inappropriate land clearing, not just in Queensland but around the rest of the country? Given the continuing lack of progress—which the minister has just clearly outlined is the case—and the clear failure to meet the vegetation targets set out under the federal government's plan, will the minister now ensure that funding is not provided for revegetation unless measures are specifically put in place to reduce clearing?

Senator HILL—Senator Bartlett will know that that is in fact a condition in the new national action plan for salinity and water quality announced by the Prime Minister and agreed to by the states before Christmas. But the Queensland government also agreed to the partnership under the Natural Heritage Trust. They agreed in fact to a no net loss of native vegetation. That is the extent to which we can believe the Queensland government in these matters. I say to Senator Bartlett that he will not get anywhere in this matter if he continues to turn a blind eye to the principal culprit. In the case of Senator Brown, Senator Brown rewarded Mr Beattie and Labor in the byelection the other day for failing to meet their responsibility—a failure which has allowed 450,000 hectares to be cleared. Senator Brown had the capacity to pressure Labor towards better policy but he abdicated that. (*Time expired*)

Economy: Business Expectations

Senator HOGG (2.36 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the minister confirm that the most recent Australian Bureau of Statistics survey of business expectations found that Australian businesses expect average profit levels to drop by 10.7 per cent and full-time employment to fall by 1.1 per cent in the June quarter? Isn't this proof positive that the GST is now expected to be the great job de-

stroying tax of all time, at least in the eyes of Australian businesses, who are the primary employer group of this country? Just how do these figures fit with the Prime Minister's statement on 30 September last year, when he said:

Well I don't believe there will be short-term job losses from the introduction of our tax plan.

Senator KEMP—It was interesting to listen to the quote from Senator Hogg. He argued—and I think I quote him correctly—that the GST is the great job destroying factor which is currently present. I think that is what Senator Hogg said. Again, it poses the question: if that is what Senator Hogg believes, why is the Labor Party proposing to keep the GST? It does raise that particularly intriguing question. If in fact that is the belief of Senator Hogg, and if in fact it is the belief of the Labor Party that the GST—

Senator Cook—It is not!

Senator KEMP—Hold on. Senator Cook said that was not the belief of the Labor Party. I am not sure what the belief of the Labor Party is. All I am saying is that this is a very valid issue of public debate. We have had one of your colleagues, Senator Cook, standing up here and referring to the GST as 'job destroying'. I make the point again that if that is the Labor Party position why are they proposing to keep GST? I would have to say that in relation to Senator Hogg's question there is an internal party problem that has to be resolved. Senator Cook has one view, and Senator Hogg has a different view.

The other point I would make, Senator Hogg, is that it is quite clear there is a downturn, as you would know, in the world economy. But I am not aware that the problems that the US economy is facing at the moment are due, as you would allege, to the introduction of the goods and services tax. We do happen to be a great trading nation, and we do happen to be affected by what occurs elsewhere in the world.

Senator Cook—The Reserve Bank said it is the GST.

Senator KEMP—On the interjection, it is quite clear—and the Treasurer has said this, the Prime Minister has said this, I have said this and the Reserve Bank has said this—that

in relation to the introduction of the GST some expenses were pulled forward and some were pulled back. We are all aware that transitional issues have been involved, particularly in the construction sector, and that was pointed out by the Reserve Bank as recently as last weekend. I conclude my response by completely rejecting the assumption on which the question was asked—that the GST is a job destroying tax. It is quite wrong and quite false. I believe it is shown to be false by the fact that the Labor Party propose to keep the GST as part of their policy.

Senator Cook—We are not going to keep the GST; we are going to roll it back!

Government senators interjecting—

Senator HOGG—Madam President, I have a supplementary question. In view of the minister's response, does the minister recall his statement yesterday:

... the government has always said that there would be a one-off transitional effect of the new tax system ...

As the Assistant Treasurer did not take up the opportunity offered to him yesterday, can the minister today refer us to any page number in the 500-page ANTS document that mentions one-off transitional effects or confidence sapping annoyance with the administration of the GST?

Senator KEMP—Let me point out to Senator Hogg that this was a matter of intense public debate, and it was quite clear prior to 30 June that in the construction sector many people had decided to try to beat the 30 June start-up date. In relation to cars, it was the reverse. It was a matter that was constantly debated in the media. That is the point I make, Senator Hogg, and I am surprised that you now stand up and make the claim that you were not aware of these transitional effects. I must say, Senator Hogg, that that really surprises me.

Parliament House: Greenhouse Advertising Program

Senator BROWN (2.43 p.m.)—Madam President, my question is directed to you. I refer to the government's \$3.9 million greenhouse advertising program headed up by Don Burke and ask: have you been ap-

proached by anybody, the Prime Minister or the Minister for the Environment and Heritage, to implement that program in Parliament House? If so, how is it going? If not, is it true that there are some 500 television sets which could be turned off at the wall each night in Parliament House but which may not be? Is it true that there are some 300 shower heads in Parliament House which are not AAA shower heads, though householders around Australia have been asked to put AAA shower heads into their showers? Are there 500 or more fridges in Parliament House which could be turned up one degree, which, according to the advertising, would save 50 kilograms of greenhouse gases for each fridge? That is about 25,000 kilograms of greenhouse gases per annum.

The PRESIDENT—Senator Brown, I think you would know, as all senators would know, that Parliament House has an outstanding record in terms of energy conservation. The amount of money that has been saved from 1988 until now is quite incredible, and many awards have been won. I have reported to the Senate on some of the awards. The specific matters you raised are not within my personal knowledge, and I will get an answer for you.

Senator BROWN—Madam President, I ask a supplementary question. I now ask you: will you implement that program in Parliament House? It is not just a matter of saving money; it is also a matter of saving greenhouse gases and setting a lead—

Government senators interjecting—

The PRESIDENT—Order! Senators on my right, I am attempting to hear the supplementary question.

Senator BROWN—Madam President, do you not think it would be appropriate for the government and Parliament House to set a lead in this program that the government is asking the Australian populace to follow?

The PRESIDENT—The government does not run Parliament House. Parliament House is run by the Presiding Officers, and we will obtain advice on the matters that you have raised.

Goods and Services Tax: Small Business

Senator CARR (2.45 p.m.)—My question without notice is to Senator Kemp in his capacity as Assistant Treasurer. Can the minister explain why Mr Jason McInnes, the former co-owner of Graphic Attack in Alexandra in the seat of McEwen, had a business that before the introduction of the GST had supported both himself and his wife for 12 years, but now after the GST he works as a chef and his wife works at the local council?

Government senators interjecting—

The PRESIDENT—Order! The minister is entitled to hear the question, and I certainly need to hear the question. I ask senators to be quiet while it is being asked.

Senator CARR—Is the minister aware that Mr McInnes has publicly drawn the link between the imposition of the GST on 1 July last year and his small business in a Victorian regional area suddenly becoming unviable? Is this just another example of the GST being ‘good for the economy’—the destruction of a small business that was previously profitable for 12 years?

Senator KEMP—I make the point that I am not aware of the business of Mr McInnes that was raised by Senator Carr. Senator Carr, there are many reasons why people change their jobs. There are many reasons why in fact some businesses will boom and others will find things difficult. Senator Carr, I am not aware of the particular circumstances; nor am I aware of the particular claim that has been made. However, a very comprehensive program has been put in place by the tax office to explain the GST, to provide advice to business. In fact, I think to date there have been some 400,000 field officer visits which have been made to help those in business to comply with the GST. I am not sure whether Mr McInnes in fact availed himself of the opportunity of a field officer visit. Perhaps he did; perhaps he did not. But a very comprehensive program has been put in place by the tax office to assist those in business who have particular concerns. I think the success of the field officer visits particularly attests to that point.

Senator CARR—Madam President, I ask a supplementary question. Since the Treasury

has undertaken 400,000 field visits, what is the government’s estimate of the number of small businesses, just like Graphic Attack in Alexandra, which have hit the wall as a direct result of the GST? How many victims of the ‘transitional one-off effects’ have there been, Minister?

Senator KEMP—The hypocrisy of the Labor Party has been graphically demonstrated by question time. Again, we have a constant attack on the GST, but the GST remains a Labor Party policy.

Senator Carr—How many businesses are going broke?

Senator KEMP—If the Labor Party is opposed to the GST, why don’t you come out and say that you are proposing to repeal it? But you won’t say that.

Senator Carr—How many businesses are going broke?

The PRESIDENT—Order! Senator Carr, you have asked your question and you should not be shouting during the answer. You can debate it later, if you wish. Senator Kemp, you should not be speaking directly across the chamber; you should be directing your remarks to the chair.

Senator Carr—Madam President, I rise on a point of order. My point of order goes to relevance. I think I am entitled to an answer. The minister has not addressed the question that I have asked. I asked how many of these businesses are likely to go broke as a result of the GST. He has failed to address that issue.

Honourable senators interjecting—

The PRESIDENT—I cannot direct him as to how he answers the question.

Honourable senators interjecting—

The PRESIDENT—Order! There is too much noise in the chamber.

Senator KEMP—The fact of the matter is that this government has brought in a highly competitive tax system which will be of great benefit to the Australian economy and of great benefit particularly to small business. If that is not the case, if the Labor Party and Senator Carr believe what they are saying, the solution is simple: they should then say that they do not propose to keep the

GST. But they do propose to keep it. What we have seen today is gross hypocrisy on the part of the Labor Party.

Nuclear Waste

Senator STOTT DESPOJA (2.50 p.m.)—My question is addressed to the Minister for Industry, Science and Resources. Is the minister aware of the recent court decision that banned the unloading of Australian nuclear waste? Is he also aware that the Cherbourg court ruled that the storage of waste on French soil is illegal under the French Radioactive Waste Management Act 1991? In light of these actions, what are the implications for the agreement between ANSTO and Cogema? Does the government acknowledge that even if this decision to ban the unloading of waste is overturned there are now doubts cast on the legality of the agreement between the French and the Australian government, just as there are doubts about the legality of the contract signed between Australia and INVAP given the provisions of the Argentine constitution?

Senator MINCHIN—There were a number of questions there and I will do my best to answer them in the time available to me. It is true that a French tribunal did grant Greenpeace an injunction in relation to the unloading of spent fuel rods from ANSTO. I think it is rather tragic that Greenpeace behaves in this way. We, unlike our predecessors, have introduced a proper process for managing spent fuel rods in this country. The nuclear reactor at Lucas Heights is of course an essential piece of the scientific, medical and industrial infrastructure of this country and one in which we have magnificent international expertise. As I say, it is vital to this country. It is also vital that we manage the issue of spent fuel rods from that facility and that they are not left lying around at Lucas Heights as they were under the previous government. ANSTO, a fine organisation, has instituted a proper process for dealing with spent fuel rods that involves them being reprocessed at Cogema, one of the world's leading facilities for this purpose, and which I have visited.

The contract involved is between ANSTO and Cogema. It is a properly entered into contract with the full support of the French

government. It so happens that Greenpeace have found some technical basis to bring an action in a French tribunal. The French tribunal found that authorities in relation to the unloading were not properly authorised. That matter is under appeal. We expect to have an answer on the appeal fairly shortly, so there is not much more I can say about that matter—although ANSTO, in its contacts with Cogema, is very confident, based on advice from Cogema, that there is no doubt about the proper authorisations that have been made for the unloading of this material.

In any event, the French government have indicated that they strongly support Cogema on this. If, after appeal and all legal processes have been duly met, there is any technical difficulty, they have indicated their willingness to ensure that that impediment is overcome. The spent fuel rods are a matter for Cogema now that they are actually sitting on a boat off that French port.

What I find very disappointing in all of this is the determination by both Senator Bolkus and Senator Stott Despoja—presumably in her desperate attempt to defeat Senator Lees in the pursuit of the leadership of the Democrats—to make this a huge political issue. She ignores utterly the enormous benefits which Australia gets from having a research reactor at Lucas Heights, which has operated to the benefit of all Australians for the last 40 years, and our determination to ensure good management of the spent fuel rods which it generates and their proper dispensation.

I have every confidence in ANSTO and the contract it entered into with Cogema to ensure that this matter is properly dealt with and that our spent fuel management processes are dealt with properly. In relation to Argentina, again, this is another furphy that Senator Stott Despoja pursues in her campaign against Senator Lees, I imagine. But there is no doubt whatsoever about Argentina's position. I met with the President of Argentina and the foreign minister of Argentina, who both gave me their absolute assurances on behalf of their government that there is no impediment whatsoever in Argentine law to bringing into Argentina spent

fuel rods for conditioning and the return of the conditioned rods to Australia.

Senator STOTT DESPOJA—Can I confirm, then, that the government is confident that the decision of the French court and its deliberations will have no impact on the contract that has been signed? Given the minister's reference to INVAP, I am wondering if the minister can confirm that the Minister for Foreign Affairs has signed a 'two-minute' treaty with the Argentinians on nuclear issues. What preparations have been made under that treaty—which I believe was initialled in the last couple of days—for the sensitive matter of handling nuclear waste? Is the government confident that those issues have been dealt with under the treaty, just as the minister seems confident of the legitimacy of the contract between Argentina and Australia, in spite of the Argentine constitution?

Senator MINCHIN—I think that Professor Helen Garnett and her team at ANSTO are some of the finest scientists we have in this country. I deplore the consistent degradation of that organisation and its team by Senator Bolkus and Senator Stott Despoja. They really are an outstanding scientific facility that we have. I have every confidence in ANSTO and its contractual arrangements with Cogema and that the spent fuel rods will be dealt with properly. In relation to the treaty with Argentina, we have treaties of this kind in relation to nuclear safeguards with some 13 countries, as I understand it. They are a very important part of our international network in relation to nuclear non-proliferation. It is important that we have those sorts of associations.

Nuclear science is one of our most significant forms and areas of scientific expertise. I am delighted that we have signed what is a very important agreement with Argentina in relation to this matter. It is, again, idiotic to call it a 'two-minute' treaty. There has been work going on in this treaty for months and months, and it conforms with treaties that we have with a number of other countries. (*Time expired*)

Goods and Services Tax: Small Business

Senator MURPHY (2.57 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Given that the Treasurer said on Perth radio 6WF on 18 May 2000 'I don't think anybody will go to the wall as a consequence of GST,' what advice have you got for Ms Jai Simmons, the owner of Tasmania's only specialty hat shop, which will close on 31 March, according to Ms Simmons? She said:

My figures dropped the exact day the GST came then. It has killed my business.

Senator Alston—Madam President, I rise on a point of order. Standing orders legitimately entitle a senator to pursue policy issues, but surely it is not appropriate to seek constituency advice, which is the very thrust of this question now being put. 'What advice does he have for that constituent?' is the question. That is not an appropriate subject matter for question time.

The PRESIDENT—He is not allowed to ask for legal advice.

Senator Faulkner—Madam President, I rise on a further point of order. It is perfectly competent for Senator Murphy to ask a question about the transitional effects of the GST, particularly the impact they are having on a specific small business and small business person. I would have thought also, Madam President, with respect, that before you rule on Senator Alston's question, if you have any intention of entertaining it at all, you should listen to Senator Murphy complete his question.

The PRESIDENT—Nobody can ask for legal advice and the minister cannot give legal advice, but there are other aspects of asking for advice that do not come into that category. I certainly will listen to the rest of Senator Murphy's question.

Senator MURPHY—Doesn't the experience of Ms Simmons directly contradict the Treasurer's statement that the GST will not send any businesses to the wall? Or is the destruction of small businesses such as this just one of the transitional one-off effects of the GST?

Senator KEMP—Let me make a number of comments in relation to the question from Senator Murphy.

Honourable senators interjecting—

The PRESIDENT—Order! There is too much noise in the chamber, and I need to hear the answer. There are people speaking across the chamber, which makes it very difficult.

Senator KEMP—I think this particular case may have been raised by Senator Murphy at the most recent estimates hearings. If that is the case, the advice I gave to the senator was that, if there were particular problems that someone in business was experiencing with the GST, they should make contact with the tax office and we could arrange a field officer visit to assist them in any areas of particular compliance.

Honourable senators interjecting—

The PRESIDENT—Order! There are far too many senators contributing. It makes it hard to hear the answer, and it is totally out of order.

Senator KEMP—That is the first comment I would make. The second comment I would make in relation to Senator Murphy's question is this: if Ms Simmons is concerned about the GST, she should then pose to Senator Murphy why the Labor Party proposes to keep it. The problem the Labor Party has is that, on the one hand, it attacks the goods and services tax but, on the other hand, it proposes to keep the goods and services tax. That is the problem it has. In the more general sense, the advice that I would give people in small business is that if they want to have interest rates at 17 per cent, if they want to have record taxes, if they want to rack up government debt to record levels, if they want to make sure that a Labor government turns a surplus into a deficit, they should vote Labor.

Senator MURPHY—That was an interesting answer. Madam President, I ask a supplementary question. Can I assume, Minister, that the closure of Ms Simmons's hat store is just another of the transitional one-off effects of the GST that this government is prepared to bear? And just where, in the half a billion dollars of taxpayers' money spent on propa-

ganda to sell this destructive tax, has the Howard government ever told the truth about the one-off transitional effects which would send small businesses to the wall?

Senator KEMP—I notice that in the supplementary Senator Murphy used the phrase 'this destructive tax'. Isn't it astonishing? Why would the Labor Party propose to keep a destructive tax? Why would they do it? This has been the constant theme throughout the Labor Party questions today: attacking the GST but, at the same time, the Labor Party proposing to keep it. I have rarely seen a greater example of hypocrisy in my time in parliament. The Labor Party want to get their policy straight. If they propose to keep the goods and services tax, as they do, it is gross hypocrisy to stand up here with question after question and try to attack tax reform. Tax reform is good for Australia and good for business. And that is why, in the end, the Labor Party will propose to keep it as part of their tax package.

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

ANSWERS TO QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Pensions

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.03 p.m.)—On 26 February I was asked a question without notice by Senator Evans in relation to the goods and services tax. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

The answer read as follows—

Senator Evans asked the Minister for Family and Community Services on 26 February 2001:

Can the Minister explain how much of the \$485 million of taxpayers' money spent by the Howard Government on prime TV ads and glossy brochures to publicise the new tax system was actually spent on alerting Australia's 2.6 million pensioners to the fact that half of the GST compensation would be clawed back nine months after the GST impacted on their purchasing power?

Supplementary question

Of the \$480 million of taxpayers' money you spent selling the package, how much of it did you use to explain to pensioners that you were going to claw back half the compensation that they were entitled to receive in March?

Response

FaCS spent \$4,708,081 on advertising tax reform elements that were the responsibility of my portfolio. This is the overall figure and it is not possible to specify how much was spent on tax reform advertising that was specific to pensioners.

This was on top of the extensive information that the ATO provided to the public through its media campaign, the Essentials magazine, facts sheets and other PR products.

Age Pension News has been a key source of information for pensioners. The Age Pension News is produced quarterly, and is sent to 2.2 million recipients, including community groups and self-funded retirees. Explanations of the GST compensation package for pensioners were included in the June/July 1999 edition, the September/October 1999 edition, the December 1999/January 2000 edition, and were repeated again in the March/April 2000 edition.

The cost of producing the Age Pension News is not included in the \$4.7 million spent by FaCS on advertising tax reform elements specific to the portfolio. It is not possible to separately identify the proportion of the cost of producing Age Pension News associated with promoting the tax reform changes.

FaCS undertook community briefing via printed products and seminars for peak bodies, which were another source of information on tax reform compensation and the indexation process for pensions.

The Council on the Ageing has confirmed that it relied for factual information on FaCS community briefing kits, Government facts sheets, the Age Pension News, and other government sources.

Centrelink: Goondiwindi District

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.03 p.m.)—

On 8 March I was asked a question without notice by Senator McLucas in relation to Centrelink. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

The answer read as follows—

Senator McLucas asked the Minister for Family and Community Services on 8 March 2001:

Is the Minister aware of the matters raised in Centrelink ministerial submission No. 8677, dated 2 February 2001, concerning a police and Centrelink joint surveillance operation targeting suspected welfare fraud and tax evasion on cotton farms in the Goondiwindi district of Queensland? Can the Minister confirm that, while the surveillance and identification of suspects took place in early November last year, warrants were not executed until late January? Noting that floods have not been put forward for the delay over the whole of the chipping and harvesting seasons, just what was the reason for this delay?

Supplementary: Could the operation have been delayed by the cotton farmers' need to have their illegal work force on deck as outlined in the brief? Was a law enforcement operation delayed to meet the employment needs of local farmers using illegal labour and, if so, on whose orders or request?

Response:

I have been advised by Centrelink that the delay between the identification of a number of people suspected of social security fraud and tax evasion and the execution of search warrants was caused by flooding which made the area difficult to access. The shortage of agency staff to undertake the work over the Christmas period also contributed to the decision to postpone the operation until January. Decisions on timing were made jointly by the AFP, ATO and Centrelink.

I have been advised that the labour needs of the cotton farmers was in no way a determining factor as to when the agencies would execute the warrant.

I am advised that the public servants in advising the Minister for Community Services anticipated the Minister's interest in any possible effects on the cotton industry. The inference that the timing of the execution of warrants was influenced by anything other than legitimate operational considerations is without foundation. In view of Centrelink's role in supporting communities in times of crisis, I believe this advice was quite proper and is certainly not evidence of collusion as implied by the Senator's question.

Health Services: Positron Emission Tomography

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.03 p.m.)—

On 8 March I was asked a question without notice by Senator Denman in relation to positron emission tomography. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

The answer read as follows—

Senator DENMAN - My question is to Senator Vanstone, representing the Minister for Health and Aged Care. Given that the minister has failed to answer a question she was asked on 8 February, I ask her again: Minister, can you confirm that the tender process for Positron Emission Tomography scanners has stalled and no progress is being made in getting this much needed new technology into public hospitals? Are patients in Australia's public hospitals now paying a second price for the MRI scan scam because Minister Wooldridge is unable to make a decision, creating a massive backlog in capital equipment provision in public hospitals?

Senator DENMAN - Madam President, I ask a supplementary question. Minister, do you realise that it is now a year since the MRI report by Dr Blandford was completed and three months since the tender process for the new MRI machines was supposed to commence? When will the government stop treating the public with contempt by maintaining a veil of secrecy over the MRI tender process?

Senator VANSTONE - The Minister for Health and Aged Care has provided the following answers to the honourable senator's questions. I have addressed both Senator Denman and Senator Ludwig's (which Senator Ludwig asked on 8 February) question on Positron Emission Tomography in session.

On the subject of the Magnetic Resonance Imaging MRI the Minister for Health and Aged Care has provided the following answer to the honourable senator's question:

There is no veil of secrecy over the MRI tender process. There is, however, an appropriate level of caution and confidentiality with respect to the processes.

Due to the complexity of the process, the development of the tender is taking more time than what was originally anticipated. The Government is taking appropriate measures to ensure that the process is carefully designed and legally sound.

The Government established a specific Group to oversee this process - the MRI Monitoring and Evaluation Group. The Monitoring and Evaluation Group has met on five occasions, most recently on 15 March 2001, with its main focus

being on the development of the criteria for the tender process.

In developing the selection criteria, consideration has been given to issues such as access, affordability, and the health needs of the population to be serviced by the unit.

The Department has secured the services of independent legal experts to provide legal advice in relation to the tender process.

The Department is also seeking an appropriate expert to advise on the probity of the process.

Consultations have been undertaken with State and Territory Governments to identify and prioritise areas of need within their respective jurisdictions.

The Request for Tenders will be advertised widely, as soon as possible, in all major national newspapers.

With respect to confidentiality, it is entirely appropriate that deliberations and work on the tender documents remain confidential until the tender is advertised nationally. I am sure the Opposition is not suggesting otherwise.

Gene Technology

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.03 p.m.)— On 26 March I was asked a question by Senator Harradine in relation to gene technology. I seek leave to incorporate the answer in *Hansard*.

Leave granted.

The answer read as follows—

Senator HARRADINE - I am sorry. This chamber was misled by you and, of course, by the government, and it was misled by the NHMRC. What I want to know is: has an investigation been done? When are you going to change the law to make it operable? In other words, when are you going to take into account that mitochondrial DNA—which is about one per cent of the 100 per cent identity which you are insisting upon in this legislation—which renders it inoperable? (Time expired).

Senator VANSTONE - The Minister for Health and Aged Care has provided the following answers to the honourable senator's questions:

It is not correct that the Government and the NHMRC misled the chamber. To reiterate, the prohibition in the Gene Technology Act 2000 is a strong statement of the Government's intention that cloning of human beings will not occur in

Australia. There is no need for any "investigation" as alleged yesterday.

Community concern regarding a lack of legislation in some States and Territories to regulate the cloning of human beings prompted the Government to introduce an amendment to the Gene Technology Bill 2000 which prohibits the cloning of whole human beings. It is intended that measures in the Gene Technology Act 2000 (Clause 192B) will be removed once each State and Territory has implemented appropriate legislation in this area.

In response to your questions in the Senate during debate of the Gene Technology Bill 2000, the government stated that "A human clone will have an identical genome to the original, and therefore the government believes that the definition we have adopted is a practical way of instituting a ban on cloning." (*Hansard* 7 December 2000).

The term 'genetically identical' as used in the Gene Technology Act 2000 is the same as that used in Western Australian, South Australian and Victorian assisted reproductive technology legislation. This wording is legally adequate in those states, as the definition contained with those acts is underpinned by supporting regulations and guidelines.

The wording in the Gene Technology Act 2000 is a strong statement of the Government's intention that the cloning of whole human beings will not be carried out in Australia. Just like any Act of Parliament, clarification and implementation is achieved through additional more specific prohibitions. It is expected that further clarification of this intent will be provided.

Existing State and Territory legislation, in combination with the NHMRC Ethical Guidelines on Assisted Reproductive Technology (1996) and the Reproductive Technology Accreditation Committee Code of Practice has to date effectively prevented any attempts to clone a human being within Australia.

At the Australian Health Ministers' Conference on 27 July 2000, Ministers agreed to ban cloning of human beings and that this should be pursued by each State and Territory in a manner that complements the bans in other jurisdictions. The NHMRC has facilitated a process to develop a framework through which each State and Territory can implement complementary legislation to ban cloning of human beings as soon as their legislative program allows. The government has asked the NHMRC to report on this process by March 2001.

With regards to Senator Harradine's criticism of the term 'genetically identical', I will just reiter-

ate what was said previously "A human clone will have an identical genome to the original". The wording of the prohibition in the Gene Technology Act 2000 is "the use of technology for the purpose of producing from one original, a duplicate or descendant that is, or duplicates or descendants that are, genetically identical to the original". In the nuclear transfer process - the Dolly process - the purpose is to produce from one original nucleus, duplicates or descendants with genetically identical nuclei or genomes. The genome determines all of the physical characteristics of the individual - somatic mutations, which happen in all individuals, aside. These are the issues to be clarified as stated previously.

Legally, the test currently used to determine genetic identity is that of DNA fingerprinting, which assays homology of 13 genetic markers. If this test was applied to an individual and his or her clone, produced using the nuclear transfer process, this test would identify them as being genetically the same individual.

In conclusion, the prohibition in the Gene Technology Act 2000 is considered by the Government to be a good basis for enacting the Government's intent.

Goods and Services Tax: First Home Owners Scheme

Senator KEMP (Victoria—Assistant Treasurer) (3.03 p.m.)—I seek leave to provide clarification of an answer I provided yesterday in question time.

Leave granted.

Senator KEMP—There was an inadvertent error in a response to a question yesterday regarding the first home buyers grant. The word 'before' was used instead of the word 'after'. Clearly, the \$14,000 grant is payable in respect of those contracts which are signed on or after 9 March.

Telecommunications: Spectrum Sale

Goods and Services Tax: Small Business

Senator SCHACHT (South Australia) (3.04 p.m.)—I move:

That the Senate take note of the answers given by the Assistant Treasurer (Senator Kemp) to questions without notice asked today relating to the goods and services tax.

We have seen a lot of extraordinarily bad performances by this minister in question time in recent months and years, but today's performance really does take the cake. On two fundamental issues, this minister was an

absolute disgrace in that he could not answer once on matters of fact. I asked a question about the downgrading of the assessment in the budget of how much the government would get from the 3G auction. Yesterday and again today, the minister said that the estimate in the budget of \$2.6 billion—which was the basis of the government's claim for a surplus last year—had been revised downwards. Today he gave no indication of when they were revised downwards and by whom they were revised downwards. He gave no indication of which department had been consulted.

We pointed out to him as recently as estimates in February that there was information from both relevant departments and that there had been no revision to the \$2.6 billion estimate. The implication we had today was that some time between the February estimates and the auction conducted last week there had been some revision. But he could not give us any detail because, as we all know, there was no revision.

Senator Alston—There was.

Senator SCHACHT—I thank Senator Alston for his interjection: he says there was a revision. Perhaps, Senator, if you speak in this debate, you can tell us—

The DEPUTY PRESIDENT—Address the chair, please, Senator Schacht.

Senator SCHACHT—Through you, Madam Deputy President, Senator Alston can inform the Senate who conducted the revision, when it was conducted and when the information was given to the ministers. Of course, we know it was not. Certainly Senator Alston has not come forth with it. It is an extraordinary performance. They would have been much better off as a government to admit their mistake, that they had got it completely wrong, rather than try to use the obfuscation that there was some revision. It is a terrible performance by this government. This matter will not be left to rest by the opposition. We will continue to seek the information about how you could get it so wrong and then claim to the Senate that there was a revision, when every one of your officials, when they got the opportunity in Senate estimates to answer a direct question, said

there had been no revision. Either they are lying or the ministers are lying. They cannot both be right.

The other aspect raised today was about the performance of the impact of the GST on small business. We got the answer from the minister today. He clearly has not got the message from recent state elections and the Ryan by-election. I noticed that Senator Lightfoot got a bit of the message. He was quoted on the media a few days ago as saying that unless the government stopped the sale of Woodside they would lose all but two seats in Western Australia.

Senator Carr—Is that right?

Senator SCHACHT—That is what he said. They would be left with only two seats if the federal government allowed Shell to take over Woodside. That is his criticism of his own government. He did not mention the GST but there is no doubt that it is really burning in the community. Kim Beazley said last year that when the GST came in it would be a slow burn. It would be a slow burn in the community and in the small business community. All the economic commentators on 2 July said, 'What a wonderful introduction it has been. How wonderful! It has all gone so well.' They are not saying that now. All those who wrote that back in July last year have headed for the hills, saying, 'There has been a bit of a mess here. We did not quite understand what was going on.'

The Assistant Treasurer, who is in charge of the tax office administratively, has allowed the tax office to devise the most complicated set of paperwork to bedevil small business. They have introduced the tax act that has gone from 3,500 pages to over 7,000 pages and then said, 'We are going to reduce red tape for small business by 50 per cent.' You have killed small business. (*Time expired*)

Senator LIGHTFOOT (Western Australia) (3.09 p.m.)—Senator Schacht says that this is going to be a slow burn.

Senator Schacht—Which two seats are you going to keep?

The DEPUTY PRESIDENT—Senator Schacht, please cease interjecting. You have

had your five minutes. I expect silence, thank you.

Senator LIGHTFOOT—This slow burn that Senator Schacht says we are going to have with the GST is rather peculiar because Senator Schacht did not say that he is going to do away with the GST. Unlike Senator Cook, who at least had the honesty to say that he is going to repeal the GST, Senator Schacht does not have that honesty. Senator Schacht does not say what he is going to do when he rolls back the GST. What are you going to cut? What further are you going to cut? Six and half per cent of the GST anyway is going to go to local governments throughout Australia—the old Gough Whitlam trick. Is that rolling it back or is that in addition to the roll-back? What are you going to do then? Are you going to put the business tax back up to 36 per cent?

The DEPUTY PRESIDENT—Order! Senator Lightfoot, the chair is going to do nothing. Please address the chair and do not use the word ‘you’ because that does refer to the chair every time you use it. I presume that when you are saying ‘you’ you mean the opposition.

Senator LIGHTFOOT—Madam Deputy President, yes, I mean the opposition over there with the assistance of the Greens. With the assistance of the Greens, of course, they are going to roll this back. The Labor-Greens are going to roll this back. But what genuinely worries me is that when it is rolled back what degree of roll-back is it going to be? Is it going to be a five per cent GST or are you saying, as Senator Cook is saying, that you are going to take it away altogether? If you are going to rescind it, are you going to reintroduce the wholesale sales tax? Are you going to put up the rate of business tax from 30 per cent—which it will be in 2001-2002—to 36 per cent again? Are you going to try to claw back the \$12 billion tax cut—the biggest in this nation’s history and one of the biggest per capita tax cuts in the world—if you roll back the GST?

Does that mean you are going to keep the promise your spokesman on local government matters, Senator Mackay, made that you are going to give 6½ per cent of the GST as a fixed income to local governments as

well? If you are going to do that, where is the money going to come from? You are going to boost defence. You are going to boost spending on tertiary institutions. You are going to boost spending on R&D. As your leader in the other house said, ‘If you do not have any policies, the issue of how you can afford them does not come up.’ What a terrible thing to say: ‘We are going to make promises but because we do not have to cost them they are not really promises.’

What we need from the other side is not the criticism of the biggest tax cut this nation has ever seen—the great evolution, or even revolution, in a new taxation system that this nation has ever seen. We brought the company tax from 36 per cent down to 30 per cent and we have given everyone in Australia a tax cut for the first \$60,000 of their income. What are you going to do? Is it going to be death duties? You have to get the money somewhere. The people of Australia know that you are a big spending government. You left us with \$10 billion.

The DEPUTY PRESIDENT—Address the chair, please, Senator Lightfoot.

Senator LIGHTFOOT—What are they going to do, Madam Deputy President? Are they going to say that the rest of Telstra has to go? Is that where they are going to get the additional funds? Is Telstra going to go? They say, ‘No, Telstra is not going to go—trust me. We did not sell off the Commonwealth Bank. We did not sell the CBA. We would not do that. The CBA was a national icon. We would not sell that off. We would not sell off the Commonwealth Serum Laboratories—no, we would not do that. We do not want the extra money.’

Of course you sold off the CBA. Of course you sold off the Commonwealth Serum Laboratories. As it turned out, you sold it off for a fraction of what it was worth. You sold it for a pittance. The capitalisation of CSL has gone up about 30 times since you disposed of it at bargain basement prices. And it was the same with the Commonwealth Bank of Australia. You are going to get the money from somewhere. Come clean and tell the people of Australia what you are going to do. Is income tax going to go up? Are you going to introduce death duties?

How much are you going to roll the GST back? That is what they should be telling this parliament and the people of Australia.

I cannot stand people who criticise as the opposition does. At least Senator Cook is honest and says that he is going to get rid of the GST altogether. But that leaves a frightening void and that void has to be filled somehow. What are you going to do about the money that you are going to raise, because you spend big when you are in government? Are you going to maintain payments to the states? Are you going to do that? No-one can answer me. I do not know whether they have been struck dumb over there. One minute they are interjecting all over the place and the next minute they are silent. Someone has got their tongues. (*Time expired*)

Senator HOGG (Queensland) (3.15 p.m.)—Having heard Senator Lightfoot speak about the issue of trust, it reminds me that the GST itself was a ‘never, ever tax’, as described by the then Leader of the Opposition. It has become known now as the Howard-Lees GST or the Liberal-National-Democrats GST. Whichever way one tries to typify it, the thing that one knows is that it is an immoral tax. It is a tax that shifted the tax burden from the rich to the poor. It shifted the burden to those with the least financial capacity to cope. It attacked pensioners, fixed income earners, self-funded retirees and low income earners, and it affected small business. It affected small business in a way that this government now cannot even face up to. It has also affected employment opportunities.

Late last year in September when I was on business in Adelaide, I walked down Melbourne Street in North Adelaide and, interestingly, a small business had painted a sign fully across its window saying, ‘GST? No thanks. Closing down sale. All stock must go,’ and then the comment, ‘Die J. Howard.’ If that is not an indictment by that small business operator of the GST and of the Prime Minister, then nothing else is. What has happened is that small business has been suffering no end throughout the operation of the GST. When it comes to employment, the government does not face up the facts of

what is really happening. It is interesting to look an article by Richard Denniss in the *Canberra Times* on 5 March this year. He said:

On the publication of January’s employment statistics Tony Abbott, the Minister for Employment, Workplace Relations, and Small Business, stated that employment had fallen ‘marginally’ by 3,500 jobs. In fact, more than 44,000 full-time jobs had been destroyed while 40,600 part-time jobs had been created.

So if the truth be known, 44,000 full-time jobs have been destroyed and 40,600 created—that is not employment creation by anyone’s standard. The article went on to say:

The fact is, while the number of employed people may have fallen marginally, the amount of employment that was taking place had fallen by the equivalent of more than 20,000 full-time jobs.

And then he hit the key:

As long as the underemployed are treated separately from the unemployed in assessing the performance of the labour market, governments will have an incentive to implement policies which encourage the substitution of part-time and casual work for full-time jobs.

This government is now trying to go into denial mode, denying that the GST is impacting on small business and impacting on employment in Australia. When you have a government in denial, you have a government that is losing its grip on things very fast.

One needs to only look at the recent result, as my friend and colleague Senator Schacht pointed out, in the seat of Ryan. People there obviously understand the policies of this government and their impact on their lives. If you look at what happened in Ryan, since 1998 the primary vote for Labor has gone up 13.32 per cent, whilst at the same time the Liberal vote has gone down by 16.39 per cent. So one can see that they have deserted the Liberal Party since the GST has been mooted and operating. Also, you see that the two-party preferred vote for Labor has gone up by 17.15 per cent in that same period of time. These are people in one of the wealthiest electorates in Australia. They are hurting; ordinary average Australians are hurting. My former colleague Barry Jones

said only the other night that we now have a government that is in denial mode. We have a government that is suffering amnesia, and we have a government that is languishing in nostalgia. When you have that, you have a government that cannot see the wood for the forest. It cannot accept the reality that its policies are hurting, that the GST is affecting small business and employment. (*Time expired*)

Senator CRANE (Western Australia) (3.20 p.m.)—I rise to speak on this motion to take note of an answer, as well. The first point I wish to make to those on the other side—and we heard a lot of rhetoric a moment or two ago from them—is that counting your chickens before the eggs have hatched is not a very wise way to drive your position. Compare our position right now with that of the Leader of the Opposition—leader Beazley is in total confusion. Anyone can say, ‘If you do not have any policies, the issue of how you can afford them does not come up.’ Let me tell you something: the Australian public will demand answers to everyone of the policy questions that do come up, and they will want precise and proper answers—otherwise you will pay the price that you are already starting to pay.

I want to run through a few of these issues before us. We talk about unemployment and things that have been done and things that have not been done. Under the Howard government, Australians enjoyed 14 consecutive quarters of annual growth of over four per cent before the December quarter—something which was never, ever achieved, nor likely to be achieved, by Labor. Since the Howard government came to office, 800,000 jobs have been created, cutting the unemployment rate to 6.7 per cent compared with the peak of 11.2 per cent under Labor. Through you, Madam Deputy President, don't you people on the other side of this chamber remember those days? Don't you remember the pain you caused? Don't you remember all the bankruptcies—they were at record levels—at that particular time? Hopefully, and almost probably, that number will never be reached or gone close to again.

It is a fact that the government, those of us on this side of the chamber, have in effect

addressed the policy weaknesses that the Labor Party had, and we have been able to make major inroads into the situation with unemployment and bankruptcies. What about home loans? Remember those? They have fallen to 7.3 per cent from a peak of 17 per cent under Labor. Surely you people remember those, yet you get up there and carry on as though you have two minutes memory in the back of your mind. Let me remind you—through you, Madam Deputy President—that the people out in the street remember that very, very clearly.

We can go on. Productivity growth has been high under this government, leading to solid wages growth of around 4.3 per cent over the year to December, compared with real wage reductions to low paid workers under the Accord. Do you remember that reduction under the Accord, the document that you people signed off on, the document that your former Prime Ministers and Treasurers signed off on? What happened? The so-called defenders of the rights of the lowly paid workers failed them miserably.

In addition, the Howard government has repaired Labor's budget deficit and reduced Labor's debt. Do you remember the \$10 billion budget deficit inherited from Labor that has been turned into a sustainable surplus? I pose that question in these debates to those on the other side of the chamber. They should answer it and they should address it. By the end of 2001 the government will have repaid over \$50 billion in net debt since coming to office, a net debt that was created by former Prime Minister Keating and that still has \$30 billion to be paid off on it.

Remember who borrowed to run this country in government, spent the money they got from asset sales, spent all the taxes they got and then still had to go out and borrow more and more? I say very clearly in this place to all those electors around the country, ‘Buyer beware,’ because you will head down that track once again; there is no question about that.

The ratio of public net debt to GDP will have fallen from around 20 per cent of GDP in 1995-96 to an expected 6.4 per cent in 2000-01. We will know the exact figure in June—it is not that far away—and I look

forward to it. In addition, the Howard government delivered \$12 billion in tax cuts, the largest cuts in personal income tax history.

In my final moments I would like the answer, through you, Madam Deputy President, to this: what is going to be rolled back? What is going to happen to fuel excise? What is going to happen to the wholesale sales tax? Are we going to see a revamp of the wholesale sales tax? What is going to happen to employees' tax? Are the Howard tax cuts going to be taken away from them? When will we hear answers to those particular questions? It is time they were put on the table and became part of a sensible debate. *(Time expired)*

Senator JACINTA COLLINS (Victoria) (3.25 p.m.)—On the same matter, it is interesting to listen to coalition members talk about the Australian economy and the impact of the GST. Apart from, in this last question time and the time before, their obvious practising for opposition and also their public gloating about removing the surplus, it is a case study in denial. Let us look at Senator Alston's performance in question time, through a point of order where he sought to bar questions in relation to small businesses that have gone bust under the GST; at Minister Kemp's performance, where his only answer seems to be to misrepresent the opposition's position in relation to the GST; and then at other senators misrepresenting Senator Cook in relation to what Labor will do with respect to the GST and roll-back.

Then we move to Senator Lightfoot who, in denial, could not even accept that we are in a slow burn. Nine months after the implementation of the GST, it is not semantic: we are not saying that we are 'going to' slow burn; we are in a slow burn. Finally there is Senator Crane, who seems lost in the past. He is looking backwards, looking at what he thinks has been achieved by his government, but then he asks more questions of the opposition rather than asking what this government will do about the dire mess it has created of the Australian economy.

Coalition members face a particular problem at the moment. Having swallowed hook, line and sinker the Prime Minister's and the Treasurer's justifications and sup-

ported the introduction of the GST, coalition members are today left with nothing more than their blind faith that somehow, somewhere, the economy has benefited and that Australians are winners. 'Look,' they say, 'it was the right thing to do; it is good economic policy. There may be some losers in the short term, but every Australian is a winner in the long term. It is not our fault that we are on the nose in the community; it is a communication thing.' 'It is a communication problem,' they tell us. Well, no; it is not a communication problem. It is not a lack of getting the message out. Goodness knows, there were enough ads extolling the virtue of the GST that made the Australian government Australia's biggest advertiser in the last 12 months, according to today's *Courier-Mail*. But to mix and paraphrase Marshall McLuhan and James Carville, 'It is not the medium; it's the message, stupid.'

The Australian people see beyond this denial that is being suffered by the coalition party room. They did not, let me remind the Senate, see the need for the GST. Unfortunately they accepted the Prime Minister's promise that there never ever would be one. They certainly did not accept that the pain that its implementation has caused was necessary. And they do not accept and will not forgive the government's broken promises and the fine-print sleight of hand regarding the GST. The coalition has broken numerous promises in relation to the GST, let alone its being brought into place.

People are not better off as a result of the GST and they consider themselves to be worse off. Pensioners are no better off; they feel cheated. Petrol went up as a result of the GST. Ordinary beer prices rose 1.9 per cent. Other prices rose far more than anticipated. Beyond that, it is not a simple tax. Beyond these other deficits, simplicity was not one of the gains. But the granddaddy of broken promises was the Prime Minister's promise during the election that, if you did not believe the GST would be good for you personally, then at least accept that it would be good for the Australian economy. We can now see, nine months later, that that was very hollow. The GST has mugged the Australian economy. That is why our economy

was growing more slowly than the US's, even before the recession signals started to come from there. All of the indicators point to the fact that the downturn began post July, post GST.

The figures for the first quarter after the GST had been introduced showed that corporate profits were at their lowest since 1991. A recent Dun and Bradstreet survey highlighted the 10-year low we were in. This economic slowdown we did not have to have is going to be with us for quite some time. (*Time expired*)

Question resolved in the affirmative.

Nuclear Waste

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (3.30 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Industry, Science and Resources (Senator Minchin) to a question without notice asked by Senator Stott Despoja today, relating to the handling of nuclear waste.

I asked Senator Minchin a number of questions. The first was whether or not the government was concerned about the implications of a French court ruling in relation to the unloading of nuclear waste from Australia. The minister seemed confident, and I gather from his response that that is not going to be an issue for Australia. In fact, he claimed that it does not have implications for the contract that has been negotiated between ANSTO and Cogema. Unfortunately, when Senator Collins was talking about some of the rather rude ways questions were dealt with today by those in the government circles, she did not have need to mention Senator Minchin because he did not comment on the GST. However, I found his response somewhat aggressive, and unnecessarily so. He accused the Democrats, in particular, of somehow questioning the credentials and making personal reflections on the people involved in ANSTO and thus other scientific organisations. Nothing could be further from the truth. No-one made any references to the head of ANSTO, other scientists, their credentials or what have you. So that was an unnecessary misrepresentation by the minister, and one that I wish to correct.

The minister claimed that the action taken in France was tragic, to use his terminology, and that somehow it was instigated by Greenpeace as something to do with the Democrat leadership challenge. I am not quite sure how I managed to convince Greenpeace to get in on the act half a world away. Nonetheless, that was his convenient way of dealing with the significant issues that have to be dealt with. He is right: the issue is under appeal and tomorrow a decision may come down that does lift the banning on the unloading of Australian nuclear waste in France. However, there are still issues surrounding the legitimacy of that contract—not just in a philosophical sense but in a legal sense, particularly under the French radioactive waste management act of 1991.

Of more concern to me today was the minister's inability to outline any details to the Senate as to what was agreed or initialled by the Minister for Foreign Affairs, Alexander Downer, when he made his trip to Buenos Aires. The Sutherland Shire Council Mayor, Tracie Sonda, has good reason to be concerned about the implications of this nuclear treaty that has been signed and what it means for their region. She was particularly horrified, to use her word, to find out about the two-minute treaty through the media, simply because the two-minute treaty that was signed by Minister Downer and the Argentinean government—

Senator Carr interjecting—

Senator STOTT DESPOJA—I am sure that Senator Carr is particularly interested in this issue. Being a good lefty, I am sure that he does not support the building of a new nuclear reactor in Australia and that he would have even more concerns if he looked into the issue. The treaty was apparently supposed to take months to sign, but on 22 February, the DFAT First Assistant Secretary of the International Security Division, Bill Paterson, implied that negotiations had yet to begin. He also told a Senate committee that Australia would expect that negotiations on a bilateral nuclear cooperation agreement would begin some time this year and that they would be expected to take a number of months. He said that the department said it

would take six months or so to complete the negotiations.

On February 22, he said it was not under way and it was probably going to take six months. What has happened? We have seen in the last week the signing of this particular agreement. More concerning is that we do not actually know what is in this two-minute treaty. So I hope that tomorrow, for the benefit of the Senate, Senator Minchin will come to the chamber and explain some of the details. How long has Australia been considering this nuclear treaty with Argentina? What preparations have been made by the government relating to the sensitive matter of nuclear waste? That is the question I asked and got no answer to. Does the treaty include issues other than nuclear waste, and what are they? What is the relationship between the treaty and the Argentinean constitution with respect to the importation of nuclear waste? Why has the process of passing the treaty been rushed? Why is it a two-minute treaty? Why didn't it take six months of negotiation? Maybe it did, but we just did not know about it. Has any serious public consultation been planned? Obviously not with the Sutherland Shire Council, and obviously not in a broad sense or through a Senate committee process—other than the 15 sitting days of public comment after the signing of such a treaty. And is it the poorly planned ANSTO replacement reactor proposal that is driving this acquisition of the treaty? If the government knows the answers to any of these particular questions, it would be enlightening not only for the Senate but for the community at large, and in particular the Sutherland shire who are going to deal with a new nuclear reactor which is unnecessary. (*Time expired*)

Question resolved in the affirmative.

CONDOLENCES

Martin, Mr Vincent Joseph

The DEPUTY PRESIDENT (3.35 p.m.)—It is with deep regret that I inform the Senate of the death on 10 March 2001, of Vincent Joseph Martin, a former member of the House of Representatives for the division of Banks, New South Wales, from 1969 to 1980.

PETITIONS

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

Australian Broadcasting Corporation: Independence and Funding

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

The petition of the undersigned calls on the Federal Government to support:

- i. the independence of the ABC Board;
- ii. the Australian Democrats Private Members' Bill which provides for the establishment of a joint Parliamentary Committee to oversee ABC Board appointments so that the Board is constructed as a multi-partisan Board, truly independent from the government of the day;
- iii. an immediate increase in funding to the ABC in order that the ABC can make the transition to digital technology without undermining existing programs and services, and that it will be able to do this independently from commercial pressures, including advertising and sponsorship;
- iv. news and current affairs programming is made, scheduled and broadcast free from government interference, as required under law; and
- v. ABC programs and services which continue to meet the Charter, and which are made and broadcast free from pressures to comply with arbitrary ratings or other measures.

by **Senator Bourne** (from 2,134 citizens)

Australia Post: Deregulation

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

The Petition of the undersigned shows that we are opposed to the National Competition Council Report proposals to deregulate Australia's postal service as they will drastically reduce the revenue of Australia Post resulting in adverse impacts for most Australians including increased postal charges, reduced frequency of services, a reduction in counter and other services currently provided and a loss of thousands of jobs.

Your petitioners request that the Senate reject the NCC Report proposals and support the retention of Australia Post's current reserved service and the uniform postage rate, the existing cross-subsidy funding arrangement for the uniform standard letter service and require a government assurance that no post office (corporate or licensed) will close due to these proposals.

Further we call on the Senate to support the expansion of the existing community service obligation of Australia Post to encompass a minimum level of service with respect to financial and bill paying services, delivery frequency, a parcels service and access to counter services, whether through corporate or licensed post offices.

by **Senator Bourne** (from 9,034 citizens)

Non-Violent Erotica

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

The petition of the undersigned shows that we support legislation to introduce Non Violent Erotica as a labelling category for sexually explicit adult materials, and to do away with the current and outdated 'X' classification system. Your petitioners ask that the Senate should pass the Classifications (Publications, Films and Computer Games) Amendment Bill (2) 1999.

by **Senator Greig** (from 177 citizens)

Woodside Petroleum: Proposed Takeover by Shell Australia

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

The Petition of the undersigned shows:

That the proposed takeover of Woodside Australian Energy by Shell should be opposed in the interests of protecting Australian jobs and ensuring the nation's natural resources are retained by Australian interests.

Your petitioners ask that the Senate should:

Pass a resolution calling on the Government to reject the proposed takeover of Woodside Australian Energy by Shell.

by **Senator Lightfoot** (from 23 citizens)

Petitions received.

NOTICES

Presentation

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

That the time for the presentation of the report of the Rural and Regional Affairs and Transport References Committee on air safety be extended to 5 April 2001.

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

That the time for the presentation of the report of the Foreign Affairs, Defence and Trade References Committee on the disposal of Defence properties be extended to 24 May 2001.

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

That the Senate—

(a) notes:

(i) the disgraceful behaviour of the Teachers Federation on Public Education Day, when political propaganda was handed out to school children aimed at embarrassing the Federal Government, and

(ii) that information within the document that was given to school children was incorrect on funding that the Commonwealth provides to public schools and failed to mention that the state governments have primary responsibility for funding schools;

(b) criticises the Teachers Federation for not passing on the true nature of Commonwealth spending on schools, which in the 2000-01 financial year is \$5.2 billion (an increase of 7 per cent on the 1999-2000 financial year) and over the 2001-04 period government schools will receive an extra \$1 billion;

(c) condemns unions for using children as post offices to deliver mail to parents, when children at school should be free of political point scoring and teachers should not be using school time to lecture children on union policies; and

(d) calls on the Teachers Federation to come clean on public school spending, with the New South Wales Australian Labor Party Government increasing school spending to the tune of only 1.9 per cent in the 2000-01 financial year.

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

That the Senate—

(a) notes the success of microcredit programs, such as the Grameen Bank of Bangladesh, in alleviating poverty and in particular in addressing those in absolute poverty (those living on less than \$US 1 per day); and

(b) calls on the Government to implement its promise to double the 1997 microcredit aid budget to \$13 million by the end of this parliamentary term.

Withdrawal

Senator CALVERT (Tasmania) (3.37 p.m.)—On behalf of Senator Coonan, pursu-

ant to notice given on the last day of sitting on behalf of the Regulations and Ordinances Committee, I now withdraw business of the Senate notice of motion No. 1 standing in her name for nine sitting days after today.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Extension of Time

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

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

(a) the provisions of the Aviation Legislation Amendment Bill (No.1) 2001 to 5 April 2001; and

(b) in respect of the 2000-01 additional estimates to 3 April 2001.

Economics Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Economics Legislation Committee in respect of the 2000-01 additional estimates be extended to 29 March 2001.

Legal and Constitutional Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Legal and Constitutional Legislation Committee on the provisions of the Crimes Amendment (Age Determination Bill) 2001 be postponed to a later hour of the day.

LEAVE OF ABSENCE

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

That leave of absence be granted to Senator Harris for the period 26 March to 5 April 2001, on account of ill health.

NOTICES

Postponement

Items of business were postponed as follows:

General business notice of motion no. 717 standing in the name of the Leader of the Australian Democrats (Senator Lees) for 28 March 2001, relating to the introduction of the Australian Bill of Rights Bill 2000, postponed till 19 June 2001.

General business notice of motion no. 860 standing in the name of the Leader of the Australian Democrats (Senator Lees) for today, relating to medical and dental services, postponed till 2 April 2001.

General business notice of motion no. 862 standing in the name of the Leader of the Australian Democrats (Senator Lees) for today, relating to alleged breaches of the Forestry Practices Code 2000, postponed till 2 April 2001.

PHARMACEUTICAL BENEFITS ADVISORY COMMITTEE

Return to Order

Senator VANSTONE (South Australia—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.40 p.m.)—I seek leave to make some brief remarks in relation to a return to order passed by the Senate on 26 February this year.

Leave granted.

Senator VANSTONE—On 26 February, the Senate called for some documents to be laid on the table. Pursuant to standing order 164, the Clerk of the Senate notified Senator Hill of the details of the motion. Basically, the motion related to the listing of the drugs Celebrex and Vioxx and the appointment of new Pharmaceutical Benefits Advisory Committee members. I regret to advise the Senate that I will not be in a position to comply with that order by 4 o'clock today. I have a letter from Dr Wooldridge, the Minister for Health and Aged Care, in which he says that he regrets that a final response will not be available today. The reason he offers is that a large number of documents within the scope of the request were prepared by third parties and there are necessary negotiations with them. He indicates that the progress on that matter is very well advanced but

not yet complete. He concludes by saying that a detailed response will be made available to the Senate as soon as possible.

'As soon as possible' is not, I assume, what senators would be happy with as an indication of when this order will be complied with. I had hoped to get further and better particulars from Dr Wooldridge by now, but the House of Representatives question time does go on and there are other commitments. I give an undertaking to the Senate that I will come back tomorrow, before the close of business, and give such further and better particulars as I can from Dr Wooldridge as to the completion of the task of complying with this order. Then, of course, if the Senate is not happy with that answer there will be a debate. If the Senate is happy with that answer, there will not be. I seek leave to incorporate in *Hansard* Dr Wooldridge's letter to me of 27 March.

Leave granted.

The letter read as follows—

The Hon Dr Michael Wooldridge
Minister for Health and Aged Care
27 March 2001
Senator the Hon. Amanda Vanstone
Minister for Family and Community Services
Minister representing the Minister for Health and Aged Care
Parliament House
CANBERRA ACT 2600
Dear Minister

I refer to the motion passed by the Senate on 26 February 2001 seeking the tabling, no later than 4pm on 27 March 2001, of documents relating to:

- The listing of the drugs celecoxib (Celebrex) and rofecoxib (Vioxx) on the Pharmaceutical Benefits Scheme; and
- The appointment of the new Pharmaceutical Benefits Advisory Committee.

I regret that a final response to the Motion is not available today. A large number of documents within the scope of the request were prepared by third parties. Because many of these documents potentially raise issues related to commercially sensitive information and personal privacy issues, you will appreciate that it was necessary for all third parties to be consulted before any release of material could be made.

Whilst very well advanced, this consultation process is not yet complete and this means that unfortunately it will not be possible to table the documents in the Senate by 4:00pm 27 March as requested. Please let me assure you that all efforts are being made to keep the delay in tabling of the documents as short as possible.

A detailed response to the Motion will be presented to the Senate as soon as possible.

Yours sincerely

Dr Michael Wooldridge

BUSINESS

Government Business

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

That consideration of the Advance to the Finance Minister for the year ended 30 June 2000 in committee of the whole be made an order of the day for the next day of sitting, and be taken together with the government business order of the day relating to the consideration of the Advance to the President of the Senate for 1999-2000.

Business of the Senate

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

That business of the Senate notices of motion nos 1, 2 and 3 for 27 March 2001, relating to the disallowance of regulations, be called on and taken together when business of the Senate is reached in the routine of business, but be voted on separately.

COMMITTEES

Superannuation and Financial Services Committee

Reference

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

That the provisions of the Parliamentary (Choice of Superannuation) Bill 2001 be referred to the Select Committee on Superannuation and Financial Services for inquiry and report by 23 May 2001.

Community Affairs Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Community Affairs Legislation Committee on the Australia New Zealand Food Authority Amendment Bill 2001 be extended to 3 April 2001.

**Community Affairs Legislation
Committee**

Meeting

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

That the Community Affairs Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 29 March 2001, from 3.30 pm, to take evidence for the committee's inquiry into the Australia New Zealand Food Authority Amendment Bill 2001.

**Legal and Constitutional Legislation
Committee**

Extension of Time

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

That the time for the presentation of the report of the Legal and Constitutional Legislation Committee on the Freedom of Information Amendment (Open Government) Bill 2000 be extended to 5 April 2001.

**Superannuation and Financial Services
Committee**

Reference

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

That the following matter be referred to the Select Committee on Superannuation and Financial Services for inquiry and report by 24 May 2001:

Issues arising from the committee's report on the Taxation Laws Amendment (Superannuation Contributions) Bill 2000.

Corporations and Securities Committee

Extension of Time

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

That the time for the presentation of the report of the Parliamentary Joint Committee on Corporations and Securities on the provisions of the Corporate Code of Conduct Bill 2000 be extended to 24 May 2001.

**Environment, Communications,
Information Technology and the Arts
References Committee**

Extension of Time

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

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References

Committee on the Environment and Heritage Legislation Amendment Bill (No. 2) 2000 [2001] and two related bills be extended to 4 April 2001.

Senator HILL (South Australia—Minister for the Environment and Heritage) (3.46 p.m.)—by leave—Despite the fact that this motion has been carried, I would express my deep disappointment that an extension has been necessary until April for the committee to consider this matter relating to heritage legislation. The committee received the reference before Christmas. I cannot see any reason why the committee could not have done its job properly within that time and reported to the Senate. These reference of bills procedures were set up in an informal way and were designed so that matters could be dealt with expeditiously. In fact, the conceptual plan was that they would be looked at on the Friday following the referral and returned to the Senate the following week. It has now become practice for these committees, rather than to deal with these matters within a week or two, to take literally months, and here is yet another example of that. Looking at bills that are currently held up, I find that either today or yesterday there are three bills where committees have come back to the Senate seeking extensions of the time for consideration.

I am one who believes that this chamber should properly scrutinise a piece of proposed government legislation, but I fear that this process has gone well beyond that now. It is, in fact, significantly retarding the government from the right to have its program debated within reasonable time, and I just wanted to express my disappointment in that regard on the public record today.

Senator ALLISON (Victoria) (3.48 p.m.)—by leave—The committee does regret having to seek an extension of time. But, despite the minister's complaints about the Senate, this matter is very complex. The committee did have a very short hearing time, but the extent of the issues that are contentious in this legislation is such that this bill warrants a very careful examination. I think it is fair to say that, had the committee received a lot of support for the legislation in its entirety, we would have had no difficulty in returning a report quite quickly. But all

efforts have been made to do that as efficiently and as quickly as possible. The chair's draft has gone to other members of the committee. No doubt, if they determine it will only take them a very short time to decide whether they agree with that report or not, we could table earlier. But, in my view, this is a very complex matter and warrants proper examination, and that is what the committee has done.

Senator O'BRIEN (Tasmania) (3.50 p.m.)—by leave—Whilst I am not aware of the particular circumstances of this report, Senator Hill made a comment in his statement that I think should be responded to. He talked about a practice of committees seeking extensions to reporting times which have been established. Let me say that, on a number of occasions, reporting times have been established with the best of intentions but the taking of evidence and, indeed, the delay in receiving answers to questions on notice in relation to particularly important matters necessitates committees requiring an extension of time to properly consider evidence so that they can properly report to the Senate. You would note, looking at the red today, that each of the extensions proposed are by government chairs of the committees. These are committees—

Senator Ian Campbell—Do you want us to consult with the committee?

Senator O'BRIEN—No, I am not suggesting that it is improper at all, Senator Campbell. What I am suggesting is that, in the bipartisan way in which these committees work, the committees are desirous of dealing properly with the references. Let us take another example, that of the RFA legislation. Senator Hill vigorously argued that the committee should report on a certain date. I think we had a one-week extension, but do not hold me to that. Nevertheless, we had a short extension to a reporting time on the basis that the government needed to deal with the bill. How long did it take to deal with the bill, Senator Hill? Months and months and months. It is all right for Senator Hill to come and—

Senator Ian Campbell—That's because you filibustered the tax bills.

The DEPUTY PRESIDENT—Order! Senator Campbell, would you please withdraw your language. It is unparliamentary and you know it.

Senator Ian Campbell—I withdraw it.

Senator O'BRIEN—It just seems to me that here we have a process which is proceeding in an orderly fashion. This government has had a great deal of cooperation in the passage of its legislative program.

Senator Ian Campbell—If that is what you are worried about, we will bring on the migration bill.

Senator O'BRIEN—These particular bills and other bills which are before the Senate are being dealt with expeditiously—so expeditiously that perhaps the government is fearful that it will run out of legislation. Perhaps that is the real situation that the government is seeking to prepare itself for.

Honourable senators interjecting—

The DEPUTY PRESIDENT—Order! Senator O'Brien has the call.

Senator O'BRIEN—I am not sure whether we have a Democrat or a member of the government over there making interjections. The fact of the matter is that there are a number of pieces of legislation which are before committees—and which are before committees for good reason—which will be dealt with properly by the opposition. As I said, I am not in a position to comment on the particular resolution that Senator Hill has made a statement on, but I can say that there is no practice of deliberately delaying any piece of legislation through the committee process. On the committee that I am a member of, there has been a practice of ascertaining the facts and reporting properly to the Senate. That committee, the Rural and Regional Affairs and Transport Legislation Committee, very regularly brings down unanimous reports. It is not a matter of politicking at all. I am fearful that Senator Hill has used the opportunity that he has been given to try and set up an excuse for the government running out of legislation.

Senator Hill—That does not make sense. What I am suggesting is that you bring the bill on. What an illogical suggestion!

Senator O'BRIEN—You have had a chance and perhaps I can have a chance. The Senate has passed a resolution. The government clearly did not have the numbers and Senator Hill is upset about that. Perhaps he should go back to his office and cool down a bit. The reality is that the matter will be properly dealt with. The fact is that the resolution has been supported by the Senate, just as five motions moved by Senator Calvert on behalf of government senators were supported by the Senate. I do not think there is anything particularly unusual about that. The opposition will continue to give proper consideration—

Senator Hill—I thought this was going to be a brief statement.

Senator O'BRIEN—It was a brief statement until you and other colleagues of yours decided to introduce other matters into the argument which I felt obliged to respond to. The fact of the matter is that we will give proper consideration to this and other resolutions. We are not in the business of holding up the business of the Senate improperly in any way. The fact of the matter is that this government has passed a huge amount of legislation, and the statistics will show it.

Senator IAN CAMPBELL (*Western Australia—Manager of Government Business in the Senate*) (3.55 p.m.)—by leave—I thank my colleagues for the courtesy of granting leave. I just want to respond quickly to Senator O'Brien's comments in relation to committee reports and bringing on legislation. In his speech he said—and I apologise for interjecting, but it got me quite angry—that the RFA legislation was not brought on. We sought for the RFA legislation to come back from committee quickly. I understand it was delayed on two or three occasions at least. We sought to deal with that legislation but, as Senator Cook would know very well, the sitting fortnight when we sought to deal with that was the occasion of one of the most substantial filibusters in the history of parliaments anywhere in the world. That was on the tax system. In fact, there was a significant demand to get that legislation through. The industry wanted it through. Governments around Australia wanted it through but, through one of the worst and most dis-

graceful filibusters in parliamentary history, that RFA legislation was delayed until another sitting period.

Senator O'Brien has attacked us, saying we do not have legislation to go on with. Yesterday, we had about five or six different bills that we wanted to deal with but, as often happens, the opposition and other senators in this place said they were not ready to deal with it. Today, we issued a Senate daily program—*Order of Business*—known around the Senate as 'the red', with three bills on it: the migration legislation, the Taxation Laws Amendment (Excise Arrangements) Bill and the Taxation Laws Amendment Bill (No. 5). The Australian Labor Party said that for various reasons they could not deal with the migration bill, apparently because it has not gone to caucus. They had a caucus meeting this morning and the shadow minister obviously was not organised enough to take that bill there. We have been told, at late notice, that Taxation Laws Amendment Bill (No. 5) cannot be dealt with because the opposition are not ready to deal with that.

The Manager of Opposition Business and I work very hard to ensure this legislative program. We work very closely with the Australian Democrats and other senators to ensure this place operates successfully and deals with legislation in an orderly fashion. I will not cop criticism from the opposition whip when it comes to the management of the program. He seems not ever to be in the loop when it comes to the management of the program. He is kept out of the loop, obviously deliberately, because he does not know what he is talking about. If he wants to make accusations in such terms as 'the cupboard is bare of legislation', I will ensure—

Senator O'Brien interjecting—

Senator IAN CAMPBELL—He still nods, this goof opposite.

The DEPUTY PRESIDENT—Order, Senator Campbell!

Senator IAN CAMPBELL—I withdraw the word 'goof'. This hopeless whip opposite—

The DEPUTY PRESIDENT—Senator, do not reflect upon another member here.

Senator IAN CAMPBELL—If he wants to continue to make that assertion, we will bring on the migration bill immediately, and we will not cooperate with them. If they come to us and say, ‘We can’t deal with it because it has not gone through party processes,’ it would be the normal and sensible thing for us to cooperate with them. But if a whip wants to come in here and say we have no legislation to do, when it has been the Australian Labor Party’s fault because they are not prepared to do it, then all I can suggest to him is that he should talk to Senator Carr and Senator Faulkner and get himself into the loop. If he wants to continue asserting that, we will not rearrange business; we will bring on the migration bill as planned.

Senator CARR (Victoria) (3.59 p.m.)—by leave—It has been said that the Labor Party has asked that the Migration Legislation Amendment (Integrity of Regional Migration Schemes) Bill 2000 not be proceeded with today because it has to go to the caucus of the Labor Party, which is true. We maintain that that is a reasonable point of view to take. I would have thought, however, that the government would have been on stronger ground in putting to us their concerns about this matter if this legislation had actually been introduced into the chamber. It is a somewhat feeble proposition for the government to raise concerns about us asking that the matter go to caucus when it has yet to introduce this particular legislation to this chamber. If one looks at the red, you will notice that there are no numbers listed beside this particular—

Senator Ian Campbell—It has to go to the Senate before it goes to caucus!

Senator CARR—I think it is reasonable, however, if the government is going to talk about how well it manages its program, to actually introduce legislation before it complains about the failure of this chamber to deal with it. It is a simple proposition, Senator—a very simple proposition. I would have thought that you would be able to follow that argument quite easily.

It has been indicated to us that last night there were some bills that the government wanted to deal with and that a senator was not available to deal with it. That is common

practice here. There is no program of attempting to frustrate the government’s legislation. There is no attempt being made by the Labor Party to avoid discussing legislation in this chamber; on the contrary, I think if one examines the amount of extra time that has been granted by this chamber for the consideration of government legislation, you will find, in fact, that a record amount of extra time has been agreed to. There are probably a record number of bills that have actually been dealt with by this chamber through that process.

Our proposition is pretty straightforward: we say that it is the government’s responsibility to bring legislation before the chamber and it is our responsibility to assess the merits of that legislation. We give the government no commitment that we will actually vote for their legislation. What we do say is that we will give you a commitment that we will consider the legislation in a speedy manner. There can be no excuse, however, for the government to come into this chamber and say that we are not entitled to examine that legislation before the committees of this chamber and to ensure that that job is done thoroughly and is done in a manner which gives justice to the proposals that are being considered. I take offence, however, when an objection is raised that we are not prepared to consider legislation when it has not even been introduced into the chamber. That seems to me to be a sleight of hand that ought not to go unchallenged.

**Environment, Communications,
Information Technology and the Arts
References Committee**

Extension of Time

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

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Committee on telecommunications and electromagnetic emissions be extended to 5 April 2001.

**TELEVISION BROADCASTING: ASIA
PACIFIC REGION**

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

That the Senate—

(a) notes:

- (i) the recent closure by the Channel 7 Network of Australia Television,
 - (ii) the problems caused by the sudden closure of Australia Television for Radio Australia, which has piggy-backed into Asia and the Pacific on Australia Television's leased Palapa satellite service, and
 - (iii) the importance of both Radio Australia and a quality television broadcasting service for Australia in the Asia/Pacific region in terms of promoting Australia's political and economic interests and providing an independent news service to the region;
- (b) condemns the Federal Government for its tardiness in selecting a provider to establish a television broadcasting service into the Asia/Pacific region since calling for expressions of interest to provide such a service in August 2000; and
 - (c) calls on the Federal Government to fast-track the establishment of an effective television broadcasting service into the Asia/Pacific region as a matter of urgency, preferably by funding the Australian Broadcasting Corporation to provide that service.

FOOT-AND-MOUTH DISEASE: EUROPE

Motion (by **Senator Calvert**, at the request of **Senator Sandy Macdonald**) agreed to:

That the Senate—

- (a) notes that the spread of foot and mouth disease in Europe, particularly in the United Kingdom and Northern Ireland, continues at a horrifying pace;
- (b) acknowledges the pain, suffering and financial loss being felt by farmers, their families and their communities;
- (c) understands and empathises with the incredible personal and genetic loss being inflicted on British agriculture; and
- (d) requests that the President of the Senate write to the British Farmers' Federation expressing the Senate's heartfelt sympathy.

MATTERS OF PUBLIC IMPORTANCE National Competition Policy

The DEPUTY PRESIDENT—I have received a letter from Senator Murray proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

The rejection by the Australian public of the current National Competition Policy, particularly in view of its failure to balance economic with social and environmental considerations, and the need to scrap Competition Policy and abolish the National Competition Council.

I call upon those senators who approve of the proposed discussion to rise in their places.

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

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

Senator MURRAY (Western Australia) (4.04 p.m.)—A lot of people are finally climbing out of the woodwork to oppose this competition policy, a creation of Labor supported by the coalition. In 1995, the Australian Democrats were not supportive of the design of the national competition policy. The Democrats believed that the policy would result in substantial gains for big business and the cities at the expense of small business and the regions.

Unfortunately, the evidence confirms Democrat fears. I was a member, together with Acting Deputy President Lightfoot, who is now sitting before us, of the Senate Select Committee on the Socio-Economic Consequences of the National Competition Policy which reported in February last year. The evidence that that committee received by and large vindicated the view of the Democrats of benefits to the cities and detriments to many rural and regional parts of this country.

It is time to scrap this national competition policy. In the five years that it has been in place, overall it has not proved itself to be capable of providing enough national benefits to outweigh its many local and regional

costs. Even on big picture issues such as electricity, its failure to cost in externalities has left us with long-term environmental problems and industry structure problems. The National Competition Council should be abolished. Its members consider the cultivation of the almighty dollar a superior objective to the objectives of healthy environments and healthy communities. National competition policy is premised on deregulation unless it can be shown that there is public benefit in retaining the regulation. It should be the other way around.

Put simply, competition policy is dominated by economic assessment ahead of a consideration of the less tangible effects of the policy in social and environmental areas. It is much easier to count dollars and cents than it is to measure the flows of people from small towns to regional centres and cities or to measure the effects on the local society or the local environment. We need to evaluate the consequences that has for those who remain in small towns in terms of the withdrawal of services and people, employment, education and so on.

Back in 1995, when the parliament was debating the Competition Policy Reform Bill—which was the bill that legislated the introduction of the national competition policy—the Australian Democrats criticised the bill for its failure to include in pricing the negative social and environmental effects of a particular decision. The Democrats are still trying to convey that message.

Whilst I am pleased that the Prime Minister is now taking a renewed interest in the impact of the national competition policy, I must admit that I am cynical about his motives and about how late in the process he has become concerned. Let me explain why. The Senate select committee into NCP reported in February last year, over 12 months ago. The government's response to the select committee's report was tabled in August 2000. You will find that in the 14 pages of that response the government commits to doing absolutely nothing in response to the recommendations of the committee. Sorry—change that to 'nearly nothing'. The report does state that the Prime Minister will write to premiers and chief ministers and ask them

to give consideration to the issues in the report, but the government commits to doing nothing else.

In the last few months, the government has suffered a battering in the polls and has been defeated in Ryan, and the National Party have suffered an identity crisis of extreme proportions, particularly in Queensland. The government's new-found concerns in relation to national competition policy therefore seem more about politics than principle. Only seven months ago, it responded to the committee's report, a report that identified many of the very problems that the Prime Minister says he wants to address. But only seven months ago the government was not prepared to do anything about those problems.

One of the reforms being postulated is to try to form some sort of definition of the expression 'public interest'. The Democrats have two problems with this approach. The first is that we cannot see that just penning a definition of 'public interest' is going to help all that much. 'Public interest' is a far-reaching term that allows for consideration of almost anything. It is a term that has been considered by courts and is used in a number of pieces of legislation. By trying to redefine the term, you may end up limiting the matters that are considered rather than broadening them. Our second problem with a new definition of 'public interest' is that, quite simply, it is too little too late. The problem with national competition policy is not the absence of a definition of 'public interest'; it is the underpinning philosophy which says that deregulation and free market forces always result in a better allocation of resources and better outcomes for society.

What is needed is a different attitude—one that balances economic, social and environmental considerations, and one that values small business of itself and the regions of themselves. Only by ridding the National Competition Council of free market ideologues, however pleasant they may be as individuals, can such an attitude start to be inculcated. Small business has a value of itself. The regions have value of themselves, not just as measures in the GDP ratios or as economic elements. They have value as

components of our society. It is time to let go of that thinking, scrap the lot and start afresh. The NCP has had five years, has cost thousands of jobs and has, in our view, mostly benefited a minority of big businesses in the cities. Its economic successes are outweighed by its social failures, and we are witnessing the consequence of those social failures in the backlash in the community.

I accept that, at the time, the Labor Party, who introduced it, and the coalition may have had great hopes for its virtues, but the practice of the NCP has proven to be fatally flawed. When we think of competition policy, we should also be thinking about legislation that protects key small business sectors and regulates the market power of big business. Provisions like section 46, which is the misuse of market power provision, and section 51AC, which is the unconscionable conduct provision of the Trade Practices Act 1974, are a good start, but more can be done and more must be done. Australians urgently need and want a competition policy which includes the safeguarding of key small business sectors. This need is real and is represented in numerous letters from ordinary Australians. Deregulating pharmacies, taxis, liquor stores and retail hours, as recommended by the National Competition Council, hurts small business sectors in regional Australia and benefits only big business. These are not national or global issues that need big brother attention; they are state or local issues and should not be subject to this policy.

We need a totally different approach to competition that reduces the opportunities for big business to engage in unfair trading practices against small business. Competition policy is not just about efficiency; it is also about society. It must be about laws that regulate the power of the powerful, not about removing laws that protect the bargaining position of the weak. The first thing the government can do is stop sitting on its hands in relation to the [Trade Practices Amendment Bill \(No. 1\) 2000](#). That 17-page bill contains a number of very positive competition measures for small business. It was first introduced into the House of Representatives nine months ago. We are still waiting for the gov-

ernment to decide its position in relation to some minor amendments made by the Senate. The government and the Labor Party both rejected my amendment to that bill, which would have given the ACCC the power to break up ownership situations which substantially lessen competition. I will be proposing that that amendment be sent to a committee for further consideration. The government and the Labor Party have fortunately indicated their support for a reference of that issue.

Both the coalition and the Labor Party supported competition policy in its current form back in 1995. To use a current phrase, it is time for a roll-back on this issue from both of them. Given that I expect that we will be going to a general election in about seven months time, my request is for a complete consideration of the underpinnings of the policy by both sides of politics. The fact is that the effects of that policy are now known and the weakness of the policy is that it lacks balance and is driven by a particular ideological passion which is not the right answer for our society. I look forward to seeing the reforms that the Prime Minister has foreshadowed in his recent comments. However, I do fear that it may still be the case that they are analogous, to use the old phrase, to rearranging the deck chairs on the *Titanic*.

Senator FERGUSON (South Australia) (4.14 p.m.)—Senator Murray makes a lot of considered contributions to the Senate. There are often times when I am in agreement with him, but I must tell you that today Senator Murray has got it totally wrong. This matter before the Senate, which talks about ‘the rejection by the Australian public of the current national competition policy’, is a rather broad, sweeping statement. The proposal that the Australian public have rejected the national competition policy simply cannot be supported by fact. There may be some members of the Australian public who do not like competition policy, but in fact it is not true to say that the Australian public in general are against competition policy. Half of them probably do not even know that it exists, because it is part of their everyday lives and something that has been signed on to by all state governments and by the federal gov-

ernment, and of course it was signed on to by the Labor federal government when they were in office.

I am looking forward to hearing Senator Cook's contribution to this debate for a variety of reasons. Senator Cook's views seem to be changing as time goes by. Until today, we were of the belief that the Labor Party were so supportive of a GST that they wanted to keep it. Now we know that all of the Labor Party want to keep it except Senator Cook. This is a bit of a break. We now have one person in the Labor Party who does not want to keep the GST; he wants to get rid of the GST. It will be very interesting to see whether Senator Cook succeeds in persuading his own party to get rid of the GST in order to come to his point of view.

Senator Murray also mentioned in his speech that the Prime Minister's recent interest in the national competition policy was brought about by falling polls. I had not noticed that the polls were showing support for the Democrats rising all that much in recent times. As a matter of fact, in percentage terms you could probably say they had close to a 50 per cent reduction in support in some areas. I can promise you that while the polls show that support for the government has dropped, certainly there is nowhere near a 50 per cent reduction in support for the government in the polls. I do not think it is a test of our attitude towards the national competition policy that is having any effect on that situation.

When we are talking about the competition policy I think it is important that we understand exactly what we mean by the competition policy that was introduced by the Labor Party and supported by the coalition. Right at the very beginning the policy states that it extends competition into areas of the economy which have been dominated by government monopolies or where competition has been restricted by legislation. That is why we in opposition supported the introduction of a competition policy at that time. We do not believe that areas of competition should be dominated by government monopolies. I understand that the Labor Party have now changed their views, particularly

regarding the privatisation of many former government monopolies.

As you will well remember, Mr Acting Deputy President Lightfoot, the Labor Party were at the forefront when it came to privatising what were previously existing government monopolies. As a coalition government we have continued in that vein. But it seems that the Labor Party have had a 'road to Damascus' conversion: they now no longer support the policies they had prior to 1996 when they sought to get rid of government monopolies. That has been evidenced by their opposition, since 1996, to many of the privatisation arrangements that this government has attempted to put into place in order to improve competition and improve the services that Australians get. The competition policy reflects the view that competitive markets maximise productivity and economic growth opportunities, increase employment and improve services to consumers and business.

A number of issues were brought to the fore when the subject was discussed and agreed to at the COAG meeting in November 2000. The public interest test has been enhanced. The public interest test uses a broad benefits cost ratio approach and considers all relevant matters. I particularly draw to Senator Murray's attention matters such as economic, social and environmental impacts and a consideration of the interests of all of the parties affected are included. It is a matter of judgment whether you think the national competition policy has fulfilled all of those things to the fullest. In fact, they are part of the policy, so it is no good blaming the policy for anything that might not eventuate. The policy is right, so the execution must be right—and it must be made right—as well.

Various media have recently displayed a significant misunderstanding of the national competition policy. I believe the media have deliberately in many ways misinterpreted and misunderstood what the policy stands for. For instance, in spite of what the media might say, the national competition policy does not ignore social, regional or environmental considerations. It is part of the policy that they must be taken into account. It does

not require asset sales, privatisation, compulsory tendering, contracting out or deregulation. They are not part of the competition policy. It does not require that those things be done. It does not require the removal of monopolistic practices, and I instance single desk marketing. It does not require that those things must be got rid of. It does not allow unelected officials to set the national competition policy reform agenda. That is not part of the national competition policy. Nor does it reduce services or remove community service obligations. There is no greater benefit of that than in the area of telecommunications, one of the greatest areas of community service obligation in Australia. Whenever there has been any privatisation regarding Telstra, legislation that has been enacted has always ensured that community service obligations which were in place prior to any privatisation taking place have been maintained.

The telecommunications industry was opened up to full competition in July 1997, and a third party access regime was created in 1997. At present there are 68 licensed carriers. I can think of no greater example of the success of this national competition policy than what it has done for telecommunications in Australia. All consumers are benefiting from lower prices and from considerably greater choice. Let me give some examples. For instance, consumers can make substantial savings in the area of international calls compared with pre-deregulation prices. Look how far we have come. In 1965 I remember being overseas when it cost about \$3 for a three-minute telephone call. Imagine how long \$3 will give you today if you were spending that amount to make a telephone call.

Savings in excess of 80 per cent can be made on calls to some countries. For example, if you made a call to Canada in June 1997, the off-peak price was 91c per minute. Currently with the cheapest carrier the price is 15c per minute from Canberra. Would we have achieved that without some competition? Would we have achieved that if we still had a government monopoly or a single monopoly in the telecommunications industry? I think not. In June 1997 it cost \$1.09 to make

a call to Germany. With the cheapest carrier it now costs 21c. The benefits to consumers of introducing competition policy in the telecommunications industry can be highlighted, and I could give you a whole range of other examples. For instance, even within Australia, national long-distance call prices have fallen substantially since there was market liberalisation in 1997. For example, the cost of a 15-minute off-peak intercapital call has fallen from \$2.67 with Telstra in June 1997 to \$1.55 on 1 February this year with the cheapest carrier—a saving of over 40 per cent.

Instead of the price of local calls going up, the price of untimed local calls has now fallen to below 20c. Compare that with what it was five or six years ago in real dollar terms. I could go through a whole range of other areas where competition policy has delivered benefits to consumers which are tangible, which are significant and which highlight the fact that, if we get rid of government monopolies and allow some competition into many of these industries, it provides tremendous benefits to consumers. Senator Murray's motion today is based on a very false premise, because there is a benefit to the Australian consumers of the national competition policy. (*Time expired*)

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (4.24 p.m.)—We are debating a matter of public importance proposed by the Democrats about national competition policy. In a moment I want to come to some of the details on which this matter of public importance is based. First, I think it is appropriate to set out what the Labor Party's view is when we are dealing with matters of such importance to the basic economy.

We take the view in the Labor Party that the issue is not that we live in an economy but that we live in a community. The purpose of economic reform is to serve the interests of the community. We do not exist to serve the interests of doctrinaire theory in economics; we exist for the purpose of making sure economics improves the living standards of ordinary Australians. The test is: does it do that or does it not? In the case of national competition policy, we would find a

number of quite significant flaws in the way in which this federal government has gone about its implementation, and the consideration of the human interest—what is the value to ordinary Australians—has been lost in a helter-skelter headlong pursuit for doctrinaire goals and for placing of economic theory above the interests of ordinary people.

Having said that, all governments in this country are faced with a significant challenge when it comes to reform. The political problem for all governments—and we were in government just five years ago; we know what the problem was for us—is this: usually, and universally, the benefits of economic reform are spread thinly across the entire economy, when the pain of economic reform is felt sharply and often deeply by a particular sector of the economy. Therefore, governments get no good marks for the benefits spread thinly for everybody, but they get a lot of brickbats—and understandably—as the cries of pain reach through the electoral process to undermine government authority.

Going back to this question of what is primary, community or economics, the fundamental concern is that when governments undertake reform—and reform is necessary to keep the economy modern and competitive—they must have in place adjustment mechanisms to help people adjust. It is no good, as the government these days says, that there is some sort of trickle-down effect. You make massive reforms at the top, the benefits trickle down and eventually everyone achieves some sort of positive outcome. They may trickle down. But what happens in the meantime—people are thrown out of work, put on the breadline or have their companies cut from under them—while people are waiting for the so-called benefits of trickle-down economics? We are not fans of trickle-down economics; we are fans of putting in place the necessary adjustment mechanisms—the sort of support that is necessary—to help transition, because reform to an economy like Australia is important if we are going to be a competitive nation in the modern world.

I thought that the government may have woken up when, in 1999, John Anderson, the Leader of the National Party and the Deputy

Prime Minister in the Howard government, said to the Queensland Nationals 64th annual state conference in Rockhampton:

Quite simply, competition policy must be the servant of the people, not their master. We must use it wisely to advance the public interest; not diminish the public interest by trenchant adherence to economic theory and ideology.

That is a very fine sentiment. But, as so often happens in a government controlled by spin doctors and trying to massage the message to mislead people, when that fine sentiment is held against the actual test of ‘do their actions conform with their words?’ we find that their actions are desperately wanting.

The problem has been that the Howard government has sat back and watched while pain has been inflicted through the implementation of national competition policy. It has, in effect, vacated the field. It has not been willing to convene meetings of the Council of Australian Governments to oversee the implementation of national competition policy and to discuss its impact and how you manage it. As a result, national competition policy has been implemented, in our view, without adequate supervision by the community’s elected representatives.

Last November’s meeting of COAG—the Council of Australian Governments—discussed competition policy for the first time in years. That was, in our view, a welcome development. This body, which has the state premiers and the federal government present, is, in its collective personality, the body responsible for making this policy work—and for the first time, last November, it discussed it. Well, good. But while the changes in the national competition policy agreed to at that meeting were intended to hand back control of the implementation of national competition policy to the elected representatives, the National Competition Council’s third tranche assessment framework report, released on 5 February this year, provides—in our view—absolutely no evidence that things have improved. Therefore, the Howard government—and that is where the buck stops—has failed to keep its hands on the wheel for national competition policy.

Matters of important national policy are being handled by unelected bureaucrats, with

the government at arm's length saying, 'Don't blame me; it's their fault.' But the supreme power here, the authority that is given to those bureaucrats to implement what they do, comes from the government. It is about time—and we say this again with some force—that process was taken back by elected representatives.

That brings me to what we in the Labor Party think should be the ruling policy direction here. The Labor Party, of course, has a lot of its policies announced and out in the public domain, and it put this in the public domain some time ago. The fact that some elements of the media do not wish to report it, and then lambast us as having no policy, is a commentary on the ineffective way in which the media provide a journal of record of what happens. Labor believes that it is simply not good enough to leave the implementation of national competition policy to the unelected officials of the National Competition Council. Labor will ensure that the implementation of national competition policy is overseen by elected governments. Labor will revitalise the COAG process, with more frequent and more active meetings. Labor will ensure—and here's the rub—that a strong public interest test is applied in every application of national competition policy: each application should not simply measure the direct economic impact of reform; it should have regard to other community factors.

Labor's balanced approach will consider the effect on issues such as jobs and job security, regional development, social welfare and equity considerations, health and safety, ecologically sustainable development and the interests of the consumer. We are fundamentally committed to ensuring that the strong public interest test be applied clearly and transparently so that people can see what is happening, who is responsible and why decisions are made. We think that is fundamental for proper government administration; and in an area such as this, where there are sensitive adjustment processes, it is absolutely vital. That is where we stand and that is what we will do. That is not to back away from reform principles at all. But it is reform with the human dimension, with the

human face, and the necessary management of the dislocative processes that sometimes come in train with reform.

We heard a moment ago from Senator Ferguson, who, in a somewhat offhanded way, criticised the Labor Party for introducing national competition policy and blamed us for the bad effects where there has been dislocation, blithely passing over the fact that he has been in government for five years and has responsibility for these effects, and claiming proprietary rights and pride of authorship for the good outcomes of national competition policy. The example he cited was telecommunications. I do not necessarily want to join with Senator Ferguson in what would be, at the end of the day, a fairly pointless debate. But I just make one point in passing with respect to what he has said: competition in telecommunications was introduced by the Labor Party. His speech eulogised the effect of competition in telecommunications in reducing prices and costs for distance telecommunications. Thank you, Senator Ferguson. But, please, be historically accurate. Who introduced that competition in the first place? We did.

Senator Murray—It predates national competition policy.

Senator COOK—That is a fair comment, too, Senator Murray. The other issue that is referred to in Senator Murray's matter of public importance today on national competition policy is:

... particularly in view of its failure to balance economic with social and environmental considerations ...

The theme of what I have said is about balancing social and environmental considerations. But we cannot just stop at national competition policy when we talk about that; that has to be a guiding light, an organising philosophy, for what we do in all areas of government. I would find far more credibility in the Democrats' position if they had rigorously applied that view to all that they have done. I am referring, of course, to the GST.

I recall vividly when last year Senator Lees said that in 13 hours of negotiations with the Howard government she had

achieved more than she had achieved in 13 years of negotiating with Labor. What she had achieved in those 13 hours was a package of measures that implemented the GST and inflicted on the Australian economy what has given rise, in the last quarter of ABS statistics, to negative economic growth for the December quarter. The economy actually shrunk in the December quarter by 0.6 per cent. And many believe—60 per cent, according to a survey I have just seen of business leaders—that there will be two consecutive quarters of negative growth, meaning a technical recession. We do not want to see the economy shrink; we do not want to see the social and economic impacts of a shrinking economy. But we do believe that, having regard to social factors—as this motion calls upon us to do—and having regard to community factors, one cannot end the debate simply by talking about national competition policy. Clearly, as the Reserve Bank has now said through its deputy chief executive in a recent address in Tokyo, the so-called transitional effects of the GST, led by a massive downturn in the building industry in Australia, along with other impacts of the GST, have pushed Australia into negative economic growth. There is no justification for this.

When I go back to when the GST was not yet born as a new tax that would afflict Australians, I go back to the Australian Democrats' promises to the Australian community—promises they said they would stand up and negotiate for in the new tax package. They made 31 undertakings, none of which have been delivered. They were trampled over by the government in those negotiations. The Democrats backed away from the firm and sober undertakings that they had made. I do not have time in the few moments remaining to me to go through all 31. One of them—I refer to it because it is of considerable interest to the community—was on petrol, where they wanted to remove, and made a commitment to remove, the reductions in petrol taxes in a trade-off by reducing payroll tax. Of course, they never insisted on that. Another one in the case of petrol was where they wanted to remove the GST from petrol. But of course the GST is on petrol.

Senator Knowles—Are you going to remove it?

Senator COOK—Because some of the elements of competition policy relate to regional and rural Australia, let me conclude my remarks about the GST on petrol by making this observation: this is a tax on country Australia. The further you live from an oil refinery, the more you pay for your petrol and, because the GST is a percentage tax on the final price, the price in country Australia is higher than in city Australia. One of the great so-called 'reforms' this government—aided by the Democrats—have delivered is higher petrol prices and more tax paid by country Australians than by city Australians. That is not fair, that is not equitable and that imposes a huge cost on country residents. (*Time expired*)

Senator KNOWLES (Western Australia) (4.39 p.m.)—It is interesting to note that Senator Cook had 15 minutes to make a contribution on national competition policy and ran out of puff only about seven minutes into it. He then had to rail against the government and the Democrats about the goods and services tax and finished off by talking about the goods and services tax on petrol. It had absolutely nothing to do with the debate before the chamber at the moment. When asked by me by way of interjection whether the Labor Party would actually take away the goods and services tax on petrol he refused to answer.

Senator Cook—You were out of order.

Senator KNOWLES—It does not stop Senator Cook interjecting when he says that I was out of order. But the interesting thing is that he does not talk about removing it: he simply says that it is just a dreadful thing. Let him go back to the states and renegotiate the policy. Senator Cook is now strutting out of the chamber because he does not want to deal with this issue. The fact of the matter is that all of the goods and services tax goes back to the states. Senator Cook's contribution, quite frankly, was totally and utterly irrelevant so I will now move back to the issue before the chamber, that is, Senator Murray's matter of public importance:

The rejection by the Australian public of the current National Competition Policy, particularly

in view of its failure to balance economic with social and environmental considerations, and the need to scrap Competition Policy and abolish the National Competition Council.

On many things I concur with Senator Murray but on this I fail to be able to do so, purely and simply because in Senator Murray's matter of public importance, he states—as Senator Ferguson said—that there is a rejection by the Australian public and that it fails 'to balance economic with social and environmental considerations'. I am at a loss to understand exactly what Senator Murray means by that because the benefits that have accrued from the national competition policy do not sit well with those words.

I want to go through some of the benefits that the Australian public have gained from the national competition policy in areas such as aviation, shipping, rail, water reform, telecommunications, electricity and gas, to name but a few. It is interesting when one looks at, for example, electricity because we look at this on top of the benefits that Senator Ferguson mentioned in telecommunications: the decrease in costs that people have incurred as a result of national competition policy.

For example, in electricity the benefits to consumers include the fact that from 1993 to 1997 electricity prices fell by over six per cent. A survey of international electricity prices as at January 2000 found that Australia has the second lowest priced electricity for both residential and industrial consumers. Australian electricity prices are about half those in the United States. I cannot understand why the Labor Party would be against that. After all, this was their policy. Obviously, Senator Cook is now throwing that out along with the goods and services tax—he is the only one to do so, I might add. I cannot understand why the Democrats would be concerned about something that has delivered to Australia the world's second lowest prices for electricity.

Tariffs around Australian businesses have fallen by up to 50 per cent since the 1980s and I would have thought that that has a good flow-on effect, so that businesses have actually got more money to invest, more money to pay staff and more money to ad-

vance and progress. Since May 1995, electricity consumers in New South Wales, for example, have received savings of around \$930 million in real terms in their power bills.

Senator Forshaw—Bob Carr is responsible for that—that is right.

Senator KNOWLES—Senator Forshaw is over there flapping his gums incessantly—about what, I do not know. He is from New South Wales. I would have thought that he would actually quite relish the fact that it was his government that brought in the national competition policy. I would have thought that he would be quite proud—instead of sitting there mindlessly interjecting—of the fact that his state has received such a huge benefit. Also, since March 1997, Queensland customers can choose their own electricity supplier and they have achieved savings of around \$90 million per year.

Moving on to gas—and it is interesting because both Senator Murray and I come from Western Australia—I just happened to note that, with regular frequency, Western Australia in the gas area has yet again been able to provide some very big savings since the introduction and implementation of a national gas code. Following gas deregulation in the Pilbara in Western Australia, for example—and that happened at the same time as national competition policy, in 1995—charges for large industrial users typically fell by more than 50 per cent. We know that there are huge costs associated with living in remote Australia. There are huge costs associated with a whole range of things, whether they be run on gas or electricity. That type of reduction is most substantial. As a result of further competition, prices for gas from the Goldfields gas pipeline in Western Australia have fallen by 25 per cent. Queensland Alumina Ltd has reported a 25 per cent reduction in gas tariffs from one of its pipelines.

Moving to aviation—real domestic economy air fares were 18.7 per cent lower in June 1999 than in September 1990. Over the same period passenger numbers rose by 36.8 per cent. We have more and more people across this country wanting to travel by air, and since the introduction of Impulse and

Virgin Blue we have seen more improvements in the quality of service and the frequency of service. Service frequency increased by about 21 per cent between September 1991 and June 1999, and the number of non-stop services has increased as well. That is a very important factor because, without national competition policy, many of those things would just simply fall flat on their faces, including Australia's open skies agreement for international air services. The first one of those was made with New Zealand at the end of last year, and that will allow Australian and New Zealand international airlines to operate across the Tasman and then beyond to third countries without restriction. That means with competition there is the benefit of lower prices, and that is the most important aspect for people. They really want to know: 'Is there a benefit for me?'

Moving on to water costs—water reform has seen real prices for Victorian household consumers fall by 18 per cent, and water costs for an average medium-sized business in WA have fallen by almost 50 per cent. Around 57 per cent of Western Australian customers are expected to experience a decrease in sewerage charges, as a result of tariff reform. Many of us would know that those very people who have benefited from this policy were those who, quite justifiably, screamed loudest and longest at the high costs of running their businesses and also at the high costs of their domestic usage. (*Time expired*)

Senator SHERRY (Tasmania) (4.47 p.m.)—I have been listening to the debate, particularly to the contributions of Liberal Senators Ferguson and Knowles. I note their hardline support of the economic rationalist theory of competition and, in particular, competition policy. I note that Senator McGauran is to follow me in the debate, and I will be interested to see if he, as a member of the coalition between the National Party and the Liberal Party, adopts such an approach.

I will touch firstly on the theory of competition policy. I think it is important to emphasise that it is an economic theory that, when implemented in practice, does have

some substantial side-effects for people in particular communities. Competition policy is concerned with all facets of government policy which influence the competitive behaviour and the competitive environment of firms, individuals and government agencies engaged in the supply of traded goods and services in the Australian economy. Australia has a consistent national economic regulatory framework directed at maintaining and promoting competition in all forms of business activity. As I said earlier, it is based on an economist's doctrinaire economic theory of competition. There are a number of assumptions made by doctrinaire economists about competition. They include equal access to goods and services, perfect knowledge of goods and services and their quality and their pricing, and also the availability of sufficient suppliers and producers of goods and services within an economic market to ensure effective competition. That is the doctrinaire economic theory, but in reality the doctrinaire economic theory of competition does not work out quite as easily.

Even when competition is measured at a national level and you can identify positive economic gains, there are still problems. I refer to the example given by Senator Knowles in respect of the operation of the electricity market in this country. You can certainly measure nationally economic gains to the nation as a whole. However, when you examine the impact of that at a local level, particularly in rural and regional communities and in areas where substantial numbers of workers were involved in the production and distribution of power in this country, I do not believe that they would give quite the same glowing report or accolade about competition policy in the electricity market.

As my colleague Senator Cook outlined earlier, there is a critical difference between the Liberal-National Party, which is in coalition, and the Labor Party in the way in which competition policy should apply in this country. The Liberal-National Party subscribes to the view that, where there is a positive economic gain nationally, 'She will be right, Jack, it will trickle down to everyone in the community at some point in time.' That is clearly not the case. There are many

people in our community, particularly in rural and regional areas, where the only trickle down they see is the trickle down through the occasional flood. They are not going to be the beneficiaries of national competition policy.

It is important, particularly in a country with such massive distances and such a small economy, that we have an active industry and regional policy. It is important that we have decent safety net protections in place, such as collective negotiations. When I say collective negotiations and bargaining, I do not just refer here to employees; I also refer to farmers. Farmers are price takers and I have always been a believer that farmers as price takers and as individual producers struggle to obtain a decent price beyond the farm gate; and I do not see collective agreements between farmers, in whatever form those may take, as necessarily being invalid. It is important to take into account health and safety considerations and, overwhelmingly, the most important issue is jobs, particularly jobs in rural and regional centres. It is also important to maintain a decent level of services in rural and regional communities. In any theory of economic competition, there is no doubt that in some areas, if you applied strict competition theory, there would be no suppliers of goods and services in many areas of rural and regional Australia, no suppliers at all.

Senator McGauran—For example?

Senator SHERRY—Well, Telstra is a prime example. You could have so-called perfect competition in telecommunications, Senator McGauran—and we notice your pledge to sell off the remaining 51 per cent of Telstra—but there are times when it is necessary for government to provide those services, either directly or indirectly, through publicly owned business enterprises.

Senator Murray—And Australia Post.

Senator SHERRY—Exactly, Senator Murray. Australia Post is another classic example. I do note again the policy trend by the Liberal-National Party—we will come to you again shortly, Senator McGauran—to want to deregulate Australia Post, to bring about the reduction, the slow strangulation, of

postal services in rural and regional Australia. So it is important when applying any economic theory to ensure that it serves the interests of the community. And I do not just mean the community in the big cities of Australia, nor big business; I mean the communities right throughout Australia and particularly communities in rural and regional areas. We do know that the Liberal Party does represent the major urban cities of Australia. It is a hardline economic rationalist party. It does not shy away from that. The Prime Minister, Mr Howard, and the Treasurer, Mr Costello, boast that they are radical economic reformers. Indeed, that is one of their overriding ideologies. They worship this approach.

The same could not have been said about the National Party, certainly some years ago. What strikes you about the National Party, up until recent times anyway, is that in representing rural and regional areas they did have concern about the economic and social consequences of competition in rural and regional communities. Indeed, the National Party's basic philosophy was one of socialism in the bush. So long as socialism existed 100 kilometres from the GPO in each capital city, the National Party was pleased to subscribe to socialism. That was one of their major ideologies. That was in the past. Take their past leaders—Mr Anthony, Mr Sinclair, Mr McEwen. Mr McEwen would roll over in his grave at the National Party today. The National Party, which supposedly is there to represent the interests of Australians living in rural and regional communities, is a total captive of the Liberal Party. It is the total doormat of the Liberal Party, and Senator McGauran knows this himself. The National Party in Victoria receives four per cent of the vote and, in order to survive, it has done a deal with the Liberal Party to ensure that whoever is the National Party candidate is No. 2 on the Senate ticket. That is why the National Party exists today: it is only to survive; it is not about representing people in rural and regional Australia.

I should conclude my remarks by saying that Senator Murray said that competition policy is good for big business and the cities at the expense of small business and the re-

gions. I only wish, Senator Murray, that you had thought more about that fundamental before you signed up to the goods and services tax. I only wish that you had thought long and hard about the impact on small business and rural and regional areas in particular. We have heard a lot from the Democrats about competition policy in recent times, but I am struggling to recall the Democrats asking a question, proposing a matter of public importance, or raising in debate the horrendous impact of the goods and services tax—which you have inflicted, together with the Liberal-National Party, on the Australian community. (*Time expired*)

Senator McGAURAN (Victoria) (4.57 p.m.)—Like my colleagues before me, I welcome this debate on a matter of public importance proposed by Senator Murray. From the outset, I would like to reject Senator Sherry's provocative words that the National Party has supported or does support socialism in the bush. I utterly reject that proposition. It has never been true, least of all today. We support services in the bush. That is the difference, Senator Sherry. You may have made a Freudian slip about yourself, but we support services to the bush. Senator Murray's motion today, as it has been read out by previous speakers, calls for the rejection by the Australian public of the current national competition policy, the scrapping of competition policy, and the abolition of national competition policy.

I am sure that Senator Murray has been disappointed by the contributions thus far by the opposition. Whatever he expected to get out of this debate, he will be very disappointed. Senator Sherry and Senator Cook made the only two contributions, and they spoke down completely the positives of competition. They did not recognise any benefits at all in regard to competition. Senator Sherry even qualified the most obvious benefit of competition, in the area of electricity reform. You even qualified that there were benefits in that particular area. So I am sure that the lack of the intellectual debate and rigour that Senator Murray thought he would get on this particular motion has been a great disappointment to him.

I would say two things to Senator Murray. I am surprised now that you have come to this conclusion, because that is not the conclusion that you came to when the Senate Select Committee on Socio-Economic Consequences of the National Competition Policy inquired into this matter. You were a member of that committee, as I was. You came to a far more qualified conclusion than you have today, Senator Murray. You never told us, in your most esoteric contribution here today, why you suddenly changed from supporting the recommendations of that committee inquiry and are now calling for the absolute abolition of national competition policy.

The Senate committee inquiry was a good one, a perfectly balanced one. It recognised the full benefits of competition and where they have worked. And I understand that, quite rightly, the committee made recommendations as to where improvements can be made and recognised where the policy has been greatly misunderstood. I notice that Senator Mackay was on that committee too. She has not come in and made her contribution on this, which surprises me greatly; instead, the opposition have wheeled in the two finance experts, Senator Sherry and Senator Cook. So I ask you that question—perhaps you can answer it in the corridors of the parliament.

The second proposition I would put to you, Senator Murray, is: if you are calling for the scrapping of competition policy, then no doubt you are calling for the scrapping of the ACCC. For heavens sake, what has been more successful than Allan Fels's ACCC? He is a household name, a crusader for the consumer. He has a proven record. Professor Fels, under the powers that we have given him—only during the last parliamentary week we strengthened the Trade Practices Act to give him even more powers and strengthened section 50 of the mergers and takeover act in relation to unconscionable conduct—has the resources to take on the big end of town, which he has done, in the name of consumers, in the name of competition, and brought about the benefits that competition can bring. I would extrapolate that you are calling for the abolition of the ACCC.

I think Senator Ferguson put it very well in his contribution when he said that really the Australian public do not know what we are all talking about in here when we debate the formalities of competition policy, public benefit and all that; that it is just an intellectual debate. Senator Murray is a Rhodes scholar; he loves to bring intellectual debate to this chamber. But the general public do not really know what we are talking about. As Senator Ferguson said, this is a matter of everyday life to the Australian public. They are not into the intellectualism that Senator Murray brings, and Senator Sherry tries to bring, to this debate. The essence of the matter is that competition policy is to break up monopolies, in particular government utilities. Who could deny over the years, until the introduction of the formality of this competition policy, the inefficiencies and the overpricing of government monopolies and government utilities? Householders now have choice.

Senator Sherry—You didn't mention one rural industry.

Senator McGAURAN—No, I am thinking particularly of the state electricity authority of Victoria. There was no greater milking cow for a state government than the state electricity authority of Victoria. They milked the tariffs as a tax to go into their coffers and, therefore, the authority became more inefficient as time went on. The state electricity authority of Victoria and the union movement—you could almost check it by your watch—ensured that around Christmas time each year there was a blackout across the state. Since the authority was privatised and broken up for competition prices have come down and we have not had a blackout in the state of Victoria. That is particularly what I am thinking of. The consumers now are being given choices: they have a choice as to what phone line they will pick up, what tap they will turn on and what light they will switch on.

My point is that, in regard to competition policy, yes, of course, we all agree there has to be an underpinning of public interest that takes in not only economic considerations but also social considerations in regard to employment. But the only fault there is that

that has not been properly understood; there has been confusion. It is up to governments—past, present and future—to better sell that so that they can better sell competition policy.

The ACTING DEPUTY PRESIDENT (Senator Hogg)—Order! The time for debate has expired.

BUDGET 2000-01

Consideration by Legislation Committees

Reports

Senator McGAURAN (Victoria) (5.05 p.m.)—Pursuant to order and at the request of the chairs of the respective committees, I present reports in respect of the 2000-01 additional estimates, together with the *Hansard* record of the committees' proceedings and documents received by certain committees, from all legislation committees except the Economics and Rural and Regional Affairs and Transport Legislation Committees.

Ordered that the reports be printed.

Consideration by Foreign Affairs, Defence and Trade Legislation Committee

Additional Information

Senator McGAURAN (Victoria) (5.05 p.m.)—On behalf of Senator Sandy Macdonald, I present a transcript of evidence and additional information received by the Foreign Affairs, Defence and Trade Legislation Committee relating to supplementary hearings on the budget estimates for 2000-01.

COMMITTEES

Membership

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

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

That Senator Sherry be appointed a participating member of the Economics References Committee.

**MIGRATION LEGISLATION
AMENDMENT (INTEGRITY OF
REGIONAL MIGRATION SCHEMES)
BILL 2000**

**TAXATION LAWS AMENDMENT
(EXCISE ARRANGEMENTS) BILL 2000**

First Reading

Bills received from the House of Representatives.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (5.07 p.m.)—I indicate to the Senate that those bills which have just been announced are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the *Notice Paper*. I move:

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

Question resolved in the affirmative.

Bills read a first time.

Second Reading

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (5.07 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—

**MIGRATION LEGISLATION AMENDMENT
(INTEGRITY OF REGIONAL MIGRATION
SCHEMES) BILL 2000**

This bill introduces a new visa cancellation scheme for regional sponsored migration scheme visas into the Migration Act 1958.

The regional sponsored migration scheme was established, as a pilot, in 1995.

It was established in recognition of the fact that regional and rural Australia have difficulty in attracting, and retaining, skilled migrants to alleviate local skills shortages.

Since 1995 there has been an increasing trend of regional sponsored migration scheme visa grants.

170 visas were granted in 1996/97; 581 visas were granted in 1997/98; 765 visas were granted in 1998/99 and 664 visas were granted in 1999/2000.

In order to gain a more even distribution of skilled migrants across the country, substantial concessions are made in relation to the criteria for the grant of a regional sponsored migration scheme visa.

These include the need only for diploma level qualifications and the possible waiver of language and age requirements.

However, the key criterion for the grant of a regional sponsored migration scheme visa relates to employment in Australia.

The criterion is that the visa applicant has been nominated by an employer in respect of an approved appointment in the business of the employer that will provide full-time employment for at least 2 years in regional or rural Australia.

This requires a two-year contract of employment between the visa applicant and the nominating employer.

Ensuring compliance with this criterion is essential to the continued integrity of the scheme.

While there is little evidence at the moment to suggest widespread abuse of the scheme, the new visa cancellation powers are necessary to safeguard against any future misuse and to deter persons who do not have any genuine intention of settling in rural or regional Australia.

The business advisory panel, which provides expert advice in relation to the government's business entry programs, is also of the view that measures to safeguard against possible future abuse of the regional sponsored migration scheme are necessary.

In its recent review of the regional sponsored migration scheme, the business advisory panel recommended that a regional sponsored migration scheme visa should be cancelled if the visa holder fails to fulfil a two year contract term with his or her employer.

In addition, the regional sponsored migration scheme is the subject of a current inquiry by the joint standing committee on migration which is reviewing the operation of "state-specific migration mechanisms".

The new visa cancellation scheme in the bill will enable the cancellation of a regional sponsored migration scheme visa in two broad circumstances:

First, where the visa holder has not commenced the employment referred to in the relevant employer nomination with the period prescribed in the regulations and he or she has not made a genuine effort to commence that employment; and

Second, where the visa holder's employment referred to in the employer nomination, terminated within the required employment period of 2 years and he or she has not made a genuine effort to be engaged in that employment for the required period.

An example of a situation in which this new visa cancellation power could be used occurred recently.

A person applied for and was granted an regional sponsored migration scheme visa at an overseas DIMA office.

On arrival in Australia, this visa holder informed his nominating employer that he did not want to start work immediately.

Subsequently, the visa holder and his family moved to a capital city in another state and presented at Centrelink for assistance.

The visa holder is now apparently renting a house in that city, has a telephone connected and has bought two cars.

It would seem that this visa holder has no intention of settling in regional or rural Australia.

The new power to cancel a regional sponsored migration scheme visa would not generally be used where a nominating employer terminates the employment contract within the two-year period.

Cancelling a regional sponsored migration scheme visa in such a situation would not serve the purposes of the scheme particularly where the circumstances leading to the termination are outside the employer's or visa holder's control.

For example, a failure to commence or remain in employment will not generally lead to visa cancellation where there downturn in business activity, closure of the business, financial loss or bankruptcy.

Finally, the new visa cancellation scheme will not have any retrospective effect. It will only apply to regional sponsored migration scheme visas granted after the bill commences as a result of applications made after the commencement of the bill.

I commend the bill to the chamber.

TAXATION LAWS AMENDMENT (EXCISE ARRANGEMENTS) BILL 2000

This Bill amends the laws relating to excise in order to transfer the general administration of those laws to the Commissioner of Taxation from the Chief Executive Officer of Customs.

Excise is an indirect tax, and it is appropriate that the administration of excise laws be integrated with that of other taxation laws.

Administration of the 'off-road' Diesel Fuel Rebate Scheme, which provides a rebate of excise duty or customs duty for a qualifying use of diesel, mainly in the mining, agricultural and rail and marine transport sectors, is also to be transferred to the Commissioner of Taxation.

The 'off-road' scheme complements the 'on-road' Diesel and Alternative Fuel Grants Scheme which has been administered by the Commissioner since its introduction as part of this Government's comprehensive reform of indirect taxes.

The Bill contains amendments to excise, customs and taxation legislation to give statutory recognition to the administrative changes.

The amendments will ensure that officers currently authorised to exercise search and seizure powers for excise purposes will continue to have those powers. These relate to the search and seizure of evidential material and forfeited goods under a warrant issued by a magistrate.

In addition, the Excise Act will provided for forfeited goods seized by police officers to be dealt with in the same way as if the goods had been seized by excise officers. This particular measures will support the compliance improvement amendments enacted earlier this year to combat the trade in illicit tobacco.

The Bill will also repeal redundant provisions in the Spirits Act 1906 and the Distillation Act 1901 which are inconsistent with modern industry practices and with current tax compliance verification methods.

Excise legislation will also be amended to adopt gender-neutral language, and to replace the maximum dollar amount of penalties stated for excise offences in accordance with the 'penalty unit' standard specified by the Crimes Act.

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

I commend the Bill.

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

Motion (by **Senator Heffernan**) proposed:

That the resumption of the debate be made an order of the day for a later hour.

Senator O'Brien—Mr Acting Deputy President, I understood that that was not necessarily to be the case in relation to these bills.

The ACTING DEPUTY PRESIDENT (Senator Hogg)—You can leave it to a later hour and sort it out in the intervening period.

Senator O'Brien—I am happy to do that as long as it is understood that the opposition was not of the view that migration legislation would be proceeding today.

The ACTING DEPUTY PRESIDENT—I think that is understood. That can be worked out by yourself and the government.

Question resolved in the affirmative.

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

BILLS RETURNED FROM THE HOUSE OF REPRESENTATIVES

Message received from the House of Representatives returning the following bill without amendment:

Crimes Amendment (Forensic Procedures) Bill 2001

RENEWABLE ENERGY (ELECTRICITY) REGULATIONS 2001

Senator BROWN (Tasmania) (5.09 p.m.)—I move business of the Senate notices of motion Nos 1 and 3 standing in my name:

(1) That regulation 8 of the Renewable Energy (Electricity) Regulations 2001, as contained in Statutory Rules 2001 No. 2 and made under the *Renewable Energy (Electricity) Act 2000*, be disallowed.

(3) That regulations 11 and 19 of the Renewable Energy (Electricity) Regulations 2001, as contained in Statutory Rules 2001 No. 2 and made under the *Renewable Energy (Electricity) Act 2000*, be disallowed.

At the outset, I wish to seek clarification about the speaking opportunity. I understand that it is 20 minutes. Is that for motion No. 1?

The ACTING DEPUTY PRESIDENT (Senator Hogg)—You are moving motions Nos 1 and 3, as I understand it.

Senator BROWN—That is right.

The ACTING DEPUTY PRESIDENT—And the Democrats are moving No. 2.

Senator BROWN—That is right.

The ACTING DEPUTY PRESIDENT—You will have 20 minutes to speak and then you will have the right of reply.

Senator BROWN—Thank you. There are two sets of regulations here that I am moving to disallow, and I do so for very strong reasons. These regulations come from the renewable energy act which senators will remember was passed to increase the amount of renewable energy—that is, energy that does not come from fossil fuels—in Australia over the coming years. It has a very conservative but good trajectory, in that two per cent of new renewable energy is to come from non-fossil fuel sources. As you will remember, Mr Acting Deputy President, this is pretty poor when you line it up with other countries which are aiming at 10 to 20 per cent—and some European countries are aiming at over 20 per cent—for the same period.

The aim of the legislation, in part at least, is to offset Australia's awful reputation around the world as the world's worst per capita greenhouse gas producer. A lot of that reputation comes because so much fossil fuel energy is consumed in Australia, together with the fact that we have a prodigious private transport system and that we are clearing native vegetation in Queensland, as the Minister for the Environment and Heritage said during question time today, at more than 400,000 hectares per annum, and he is not prepared to use his obvious powers to put a halt to that.

Moreover, with the notable and somewhat glorious exception of Western Australia, where the new Labor government, backed by the Greens, is bringing an end to the rapid destruction of old-growth forests, the wood-chip industry is moving ahead in eastern parts of New South Wales, in Victoria—where there are currently protests in the Otways range area—and worst of all in Tasmania, where there is now the greatest rate of destruction of native forests for the fewest jobs and the lowest return in history. That is adding awesomely to greenhouse gas production, because in the process the biggest carbon banks in the Southern Hemisphere—the tallest forests, these great eucalypt forests of Tasmania, like those in the Styx Valley, the Tarkine, the North-East Highlands and the Great Western Tiers—are being destroyed under Mr Howard's signature, and with the full and wholehearted

full and wholehearted support of the Tasmanian Labor Premier, Mr Bacon, and his government.

These regulations might, on the face of them, be seen to be a step therefore in the right direction. But what has been passed in the regulations is that the wood waste coming from those forests can be burnt in furnaces and classified as green energy, as renewable energy; but it is not renewable energy. These forests are destroyed and the wildlife in them is destroyed. Currently, 97 per cent of the trees in these Tasmanian forests are going to woodchipping. They go to the woodchip mills, they are exported to Japan, they come out as paper and they ultimately end up on the refuse, rubbish and landfill entities in Japan where they become greenhouse gas anyway. Those components of the forest which are left after the loggers have taken the logs they want for woodchipping are burnt.

In the last two weeks, Forestry Tasmania has put double-page advertisements in the newspapers of Tasmania—the *Mercury*, the *Examiner* and the *Advocate*—saying what a good thing it is that they are about to enter the burning season. What actually happens is that they will be flying helicopters over these cutdown forests—these ancient forests which until a few months ago were intact—dropping napalm-like incendiaries to create a firestorm to burn what is left of the forests on the forest floor. This means that nothing will be left alive: no insect, no reptile, no marsupial, no component of rainforest or, indeed, eucalypt forest. There are people protesting about this right around Tasmania. Now we have this renewable energy bill which will make things worse.

In the course of the debate, the minister—whose title is Minister ‘for’ the Environment and Heritage—said that, provided half of the forests being destroyed go somewhere else, the other half can go into furnaces built under the aegis of Forestry Tasmania and Premier Bacon, be converted into electricity and sold on to the market as green energy, as renewable power. The people of Melbourne are being aimed at as prime targets for this deceit. This will be done through the Basslink cable, which will link Tasmania’s hydrosys-

tem with the mainland systems if the Bacon and Bracks governments have their way and the Howard government has its way. People in Melbourne getting up in the morning and turning on their toasters—these could be environmentally minded people who are paying a premium for so-called green power—will be unwittingly buying electricity from the Judbury forest furnace, which is burning so-called wood waste out of Tasmania’s grand native forests. These forests are being destroyed by the woodchip industry. That industry is finding that its prices are dropping and it is looking for an option. What is an option? ‘We’ll burn the forests to make electricity.’

What a disgusting way of treating this nation’s grand forest heritage and its wildlife—by the minister for the environment, under the signature of Prime Minister Howard. Have they no care for this nation’s heritage? Yet to compound that, here we have legislation with regulations that make it legal to sell that power as renewable energy when patently it is not. You cannot burn forests and replace them. You do not renew those forests. You do not renew those ecosystems. You do not replace the burnt and poisoned marsupials, which Forestry Tasmania, under the Bacon government, is destroying at the greatest rate in history. But the woodchip corporations want this because their prices are dropping in Japan as global plantations come on line. They want a backstop for these forests, under the Howard government’s regional forest agreements, and they want to burn our forests in furnaces.

But it is not just Judbury. There is the Southwood project—and there will be a huge protest about that in Hobart this Saturday, as people from all over the place come to object to the Southwood project, which will ruin the lives and neighbourhoods of many people in southern Tasmania. There are also at least a dozen more furnaces on the drawing board: Grafton, Ulladulla, south-west Western Australia, Queensland, Victoria, and two more in Tasmania. The government knows that, and it is simply saying to the corporations behind it, ‘We favour you over the majority of ordinary Australians who don’t want the forests destroyed. So not only will we give you

regulations that will allow you to do that but we will validate it as a good thing for the environment under the law, and we will give you a financial advantage to boot.' What a disgusting process this is. It is just plainly wrong. It is a deceit.

The Greens and the Democrats might not have the numbers in here, but we should be stopping this deceit. I hope the Labor Party will be supporting us—and I expect they will, after Western Australia. And if they do, we will stop it; if they do not, we will not. I might add that the weakest of arguments that could be brought up here is that, if we knock out these regulations, they will knock out some other good things with it. The exercise here is to say to the government: you go away and draw up regulations which are dinkum, which will promote proper renewable energy like solar power and wind power but that do not burn forests, and come back here and we will pass them—pass them tonight, pass them tomorrow, pass them next week. Only the government can bring regulations in here, as you know, Mr Acting Deputy President Hogg. Our only way of stopping this deceit—which most Australians would absolutely oppose and abhor, if they knew of it—is for us to knock out the regulations in the way that we have proposed.

There is a second component to this—and I know that the Tasmanian senators here will be keen to ensure that Tasmania is not disadvantaged under another component of these regulations—and that is that, if you put a solar hot-water system on your roof, you get a certificate under this renewable energy legislation that gives you a deduction. As I have said earlier, the aim of this legislation is to support true renewable energy, like solar power. But the regulations are worded in a form that says that, to do that, you have to be replacing non-renewable power—that is coal power, basically. In mainland states, when you put your solar hot-water heater on your roof, you are doing just that. The average household that puts in solar hot water gets somewhere between a \$200 and \$600 deduction on that unit, which might cost you \$2,000 or \$3,000—and that is how this sys-

tem should be working. You get a benefit if you do the right thing by the environment.

The problem in Tasmania is that it is, by and large, a hydro-electric system, which is renewable power in terms of the rain providing the power through the rivers which turn the turbines, and the rain comes and comes. Therefore, hot-water units put onto roofs are, on the face of it, going to be replacing hydro power—renewable power—and will not qualify. Therefore Tasmanians are discriminated against. It may be that the minister—and it is good to see him at last come into the chamber to hear this debate; he is all too often out of the chamber when there are matters under his responsibility being debated here, but he is here now—will argue that solar hot-water heaters in Tasmania will be eligible because they are in fact displacing future fossil fuel electricity generation which, for example, will come down the Basslink line to Tasmania from the brown coal fields of Victoria. Or, indeed, it may be that he will argue that the solar hot-water units being put on the roofs in Tasmania will be replacing fossil fuel power generation in Tasmania. The matter is not clear. As it stands on the face of it, Tasmanians are penalised because they do not get a deduction of \$200 to \$600 if they put in a solar hot-water unit, whilst people on the mainland do. That is why we believe this regulation should be withdrawn and fixed up to make it very clear that that is not the case, and so that it promotes solar power in Tasmania as well as everywhere else.

If you took back both the regulation components I am objecting to, you could come up with a very good outcome. If you put solar hot-water units on the roofs of the almost 200,000 homes in Tasmania, you would do away with the need for the forest furnace that Senator Hill, Prime Minister Howard and Premier Bacon are planning for south of Hobart because you would free up more power for new small business—renewable power—than would come out of that rotten furnace, that destructive furnace, that environment Minister Hill says produces renewable and sustainable energy when it does nothing of the sort. He knows it does not do it, Forestry Tasmania knows it does not do it,

and most of all Prime Minister Howard, who signed the death warrant on those forests in the regional forest agreement, knows it does not do it.

Senator Hill no doubt is going to get up and say, 'Oh, well, we are only using wood waste here.' We heard that with the wood-chipping industry. They came to Tasmania in 1970 and said, 'We are only going to use waste from the forests. We will clean up after the sawlog industry.' Here we are in 2001 with three per cent of the forest being cut under Senator Hill's regional forest agreement going to sawmills and 95-plus per cent going to the woodchip mills. This destructive process kills wildlife, destroys these grand forests, is wrecking the future opportunity of the tourism industry in Tasmania, and is wrecking people's environment in Tasmania. Senator Hill will not come down and speak to the people at Mount Arthur. Senator Lees has been there in the last week, but not Senator Hill, to see people whose backyards are being destroyed under Prime Minister Howard's destructive regional forest agreement.

Senator Hill has not been down to see the Styx forests, the tallest forests in the Southern Hemisphere which, as we speak here, are being cut down and carted up to Triabunna on log trucks to total destruction. Under this disgraceful national government these grand monuments of this nation are being destroyed in this fashion. Here we have a piece of legislation which says, 'We will promote that further into the future, with woodchip prices falling in Japan, if we can only get them into forest furnaces.' Even the Styx Valley is not safe from this: a road has just been put through, using taxpayers' money, to connect it with the Southwood logging industrial site at Judbury. Styx forests will be amongst those taken there and burnt, turned into electricity and sold to unsuspecting Melbourne people as green or renewable power. I do not just regret what the government is doing here, which the opposition supports. Whichever way you look at it, how deceitful this process is! It is dishonest. It is not environmental; it is anti-environmental. It is a sleight of hand against Australian consumers, at least 80 per cent of whom do not

want to see these great forests fall in that fashion.

Senator ALLISON (Victoria) (5.28 p.m.)—I move:

That item 3 of Schedule 3 of the Renewable Energy (Electricity) Regulations 2001, as contained in Statutory Rules 2001 No. 2 and made under the *Renewable Energy (Electricity) Act 2000*, be disallowed.

The Democrats are deeply concerned by the prospective windfall gain to the existing generators that is likely to result from the operation of the renewable energy regulations. I have been trying to get a response from the government on this issue since the beginning of February when it was drawn to our attention. Under the act, additional electricity generated by existing hydro generators is going to be able to be counted towards the act's two per cent renewables target. This affects hydro schemes in Tasmania, Victoria, New South Wales and Queensland.

To determine the proportion of electricity generated by existing generators that can count towards this target, the office of the renewables regulator will not assess new energy production as a result of funding new infrastructure or technological innovation. Instead, it will be calculated by establishing some notional production baseline for each existing power station. Accredited power stations will be able to claim renewable energy certificates, or RECs, for every megawatt hour produced that is additional to this notional baseline. In other words, when extra rainfall—or in the case of Tasmania, an increase in demand—generates more electricity, consumers will have to pay extra without any real or ongoing benefit to anybody but the existing hydro schemes. We think this is ludicrous when generators establishing and investing heavily in wind farms, biomass burners or solar systems have to compete with hydro generators that may pay absolutely nothing for additional infrastructure. The baselining approach enunciated in the regulations will deliver a very significant windfall gain to existing hydro-electric power stations that will be able to claim their RECs without having made an additional investment to increase production. In other words, they are likely to get something for

nothing because the baselining approach in the regulations does not require them to have made any investment.

We do not feel that the current powers of the regulator are adequate to deal with this problem even under the regulations. That means that consumers are essentially giving a free gift to existing renewable energy generators, and the government, the Australian Greenhouse Office and the office of the renewables regulator are very well aware of this and have been for some time. The question the Democrats keep asking is: why should existing generators be able to claim those additional certificates simply because it rains more in a particular year and because the amount of electricity they are able to produce goes up as a result? Why should they get further benefit for doing nothing more than they would do under business as usual?

The intent of the legislation, as we understand it, was not to give a free gift to existing generators no matter how many drought years they might have suffered previously. In fact the first objective of the legislation was to 'encourage the additional generation of electricity from renewable sources'. The important word here is 'additional'. It does not say 'business as usual'. We understand that one argument in support of the windfall gain to existing generators is that additional certificates will be needed in the early years of the measure in order to meet the act's yearly targets. That issue was canvassed at some length during the inquiry into this legislation. Most of those who appeared before the Senate committee said that two per cent was a very modest target indeed and most agreed that 10 per cent was achievable. Not only that, but what was known as the 'straight line uptake' should have been adopted instead of the very slow uptake indeed of the first couple of years of the measure.

This argument really makes a mockery of the legislation. The whole idea is to get beyond that business as usual model. Indeed, the current approach in the regulations will see that business as usual generation without additional investment to increase capacity will take most of the first two years of that two per cent target. That means that all of

those investors in solar and wind energy will be struggling to get money from their investment in those first years at least. So, firstly, that two per cent target is not high enough and, secondly, the first two years of it will easily go in this measure through the windfall gain to hydros.

Not only is this a problem of consumers paying for one sector getting a windfall gain; it is also a question of competitive disadvantage for others in the renewables sector. The existing baseline approach creates a very unfair advantage to existing generators. It also creates an unfair advantage to some hydro generators over other hydro generators. It appears that hydro in Tasmania stands to benefit the most and, whilst we would all in this place like to see opportunities for improving the economy of Tasmania, the fact is this windfall is likely to be worth about \$40 million. That is a very large sum indeed which consumers are going to have to find for no real benefit. I understand that the minister is concerned that Tasmania should not be penalised for its existing use of renewable energy, and that is the term that the minister used—in other words, hydro. Surely it is not a penalty to require other new generators, existing generators, to make some capital outlay before they can claim the certificates. What I find staggering about all this is that we are not talking about a penalty; we are actually talking about a free gift here, and consumers will end up paying for it. I wonder whether the public realise that their electricity bills could well go up to pay for the business as usual activities of these companies.

I am afraid, too, that for the wind and solar energy industries the current baseline approach operates as a serious barrier to competition, since they will have to factor the infrastructure costs of new production in to the price of the certificates they sell; whereas, hydro-electric power stations will not have to at all or to a far lesser extent. I received a letter from an existing hydro generator which confirmed our fears about the impact on the wind and solar industries. They wrote:

To exemplify the nature of the problem an abundance of certificates wrongly allocated to existing

renewable energy generation capacity will have a devastating impact on the new renewable energy development. It will put at risk, or at least materially delay, plans to put in place wind turbine manufacturing capability which will create at least 600 new jobs and indirectly many more when the multiplier effect is put in place. This is because the incentive is for electricity retailers to acquire certificates from the cheapest sources. Therefore the existing renewable generators who claim certificates with no additional capital outlay will secure the majority of contracts with artificially low-cost certificates at the expense of new renewable investments.

We appreciate the disallowance motion is a blunt mechanism and that item 3 of schedule 3 does give the regulator the opportunity to determine special baselines where the baseline for the three years prior to 1997 is not statistically representative. However, we would argue that this does not go far enough, particularly given the fact that there does not seem to be much dispute at all that there will still be a windfall gain of certificates to existing generators. There is no assurance from the minister that this flexibility will actually work to stop this windfall gain situation.

The regulator is given some flexibility, and the minister argues that he or she will have to go to the default baseline if this disallowance is successful. But he or she still has to establish a baseline, and that is the fundamental problem. We have looked at various ways in which the flexibility might be used, but still we come up with the same problem. More rainfall generates more certificates, and every calculation suggests that this will be very significant indeed. The fact that hydro-electric power companies are warning us about this would seem to be a very strong indication that it is going to happen. I think the minister accepts that it will happen. No doubt he will tell us that when he comes to speak, but he said in his letter to me:

I consider that additional generation from existing assets should be rewarded, as this represents renewable energy above that which was being generated in '97, which is the mandatory renewable energy targets year. Additional generation, whether due to improved operating practices such as better water management, more efficient use of existing equipment or replacement of ageing

technology with more efficient generating capacity, should not be penalised.

As I said, nobody is talking about penalising them. While a power station may not require a capacity upgrade in order to generate more electricity, it is unlikely that these actions will be undertaken with no financial incentive to the generator due to the costs involved.

We have suggested, as have others we have spoken to in the industry, that this whole problem could be avoided if existing hydro-electric power stations were simply required to demonstrate that they had upgraded the capacity of their stations before they could claim any certificates. Hydro-electric power stations could show they had made a capital investment to increase production. There are numerous opportunities to expand the generation capacity of existing hydro schemes. They could install more advanced equipment that has a greater capacity to produce more electricity. Existing hydro infrastructure can be better utilised, for example through the installation of new hydro generation facilities on existing dam walls. The government says that this system is too difficult to implement, but that is not our advice. I understand that it would in fact be a very feasible option and there are consultants available who could certify that capital upgrades have increased the capacity rating of the power stations.

In conclusion, we suggest that if the government had been serious about this issue it could easily have moved to fix the problem up. We suggest that this could still be done by incorporating our suggestions into item 3. I just want to say a couple of words about the disallowance on wood waste. We will of course be supporting this. We have voted to oppose the use of wood waste or wood materials of any sort from native forests to produce electricity at every stage of the debate on this legislation, and we will support this disallowance too. We would have thought that we would have a situation in Australia where, under the guise of renewable energy, every time Australians turn on the TV, switch on a light or use a washing machine they would be very surprised indeed to know that they were contributing to the destruction of

our native forests. But now, because of this legislation, coal fired power stations will be able to tip unlimited quantities of woodchips, logs and waste into their burners, and this goes towards achieving the two per cent renewables target. Again, no infrastructure would be required under those circumstances. I think we need to ask: why would generators invest in wind turbines and solar collectors if the price of wood, logs or waste products means that burning them without any investment in renewables is viable? We are certainly very worried and concerned that this is likely to be the case.

Adding woodchips or other products to burners will be easy and, depending on supply and demand and on how low the commodity price of woodchips goes, it may also be a cheap option—probably a very cheap option. I would have thought, particularly following the election results in Western Australia, that the government and the ALP would consider their stand on this issue. We would like to think that the government was getting the message loud and clear that the community are not happy about the logging of our native forests and that they certainly will not be happy about burning those forests to create electricity and paying for it as consumers. I find it particularly alarming that the government is now allowing wood waste to be sourced from non-RFA areas. The Democrats are not impressed by the management and monitoring of RFAs to begin with, but this is of course even worse.

We also support Senator Brown's disallowance motion on the question of solar hot-water heaters. Like Senator Brown, we are very concerned. We raised the matter of the regulations in a letter to Senator Hill at the beginning of February, but unfortunately so far we have not had a reply. We understand that, under the regulations, renewable energy certificates can be allocated only if they displace non-renewable energy. In Tasmania, this would seem to mean that you cannot claim certificates for solar hot-water systems, since they would displace hydro-electricity, which is considered to be a renewable energy source. I am sure that many Tasmanians would like to be given the opportunity to buy cheaper solar hot-water

systems, particularly since solar power does not have any adverse environmental outcomes associated with it. I will conclude my remarks there and again indicate that the Democrats will support the two other disallowance motions.

Senator BOLKUS (South Australia) (5.43 p.m.)—I also rise in this debate to make a number of points. As has been signalled already, I indicate that the opposition will not be supporting any of the three disallowance motions. At the outset, I wish to make it clear that the issues that have been discussed today have not arisen since the passage of the legislation. Those are issues that were discussed at the time the legislation was being deliberated upon, and they were issues that drove us, for instance, to move amendments to ensure continuing scrutiny of the sorts of issues that have been raised this afternoon. We were successful in moving amendments which went a lot further than the Democrats had earlier indicated a preparedness to accept in terms of ongoing scrutiny and amendment to the legislation. The question before us today, given that we have had these issues for a while, is essentially: will supporting the disallowance actually do anything to cater for Senator Brown's major concern—that is, the use of native forest timber—or do anything to satisfy Senator Allison's concerns?

It is a very strong contention on our part—one that has not been disagreed to by the proponents of this motion—that, if we were to disallow these regulations today, then the issues of concern to Green and Democrat senators would not be accommodated. If we were, for instance, to disallow and agree with Senator Brown's disallowance motion, then the concern he has about native forest timber would be exacerbated rather than ameliorated. It is the legislation that provides for the sorts of outcomes that are of concern to Democrat and Green senators. Whatever we do with the regulations, we cannot amend that legislation. We expressed our concern and we were successful in getting amendments to the legislation. We indicate even now that that ongoing scrutiny will ensure a very comprehensive review of the legislation when we are elected to government.

I do stress this point: success this afternoon—disallowance this afternoon—will not satisfy our concerns because the disallowance motions basically leave us without a regime to interpret the legislation. But the regulations that have been presented by the government are regulations that provide some meat for the bones. We on the opposition side continue to have some real concerns, which have been alive from the start, with the government's legislation.

Let us keep in mind that, whatever we do this afternoon, we cannot amend the regulations. We cannot force their amendment. If we disallow them, we will be left with the bare bones of the legislation. That legislation does not provide for the sorts of hurdles that are in the regulations. It has been strongly argued, and I agree with some of the arguments, that those hurdles are not sufficient to provide for certainty and adequate protection. It is not just the Greens but also industry who are saying that there is a lot of confusion and a lot of inconsistency in these regulations. The one thing we cannot do in this parliament is to force an amendment to the regulations. In any event, we cannot amend the law. It is the law that provides for the provisions that are of concern now to the Democrats but consistently to Senator Brown.

We should also keep in mind that, if the regulations were to be disallowed, in the normal course of statutory interpretation the courts might be able to look at other guiding influences. They could look at the legislation in its generality. As I say, that does not provide the sorts of prerequisites that are in the regulations. They could look, for instance, at administrative guidelines that this minister may be able to promulgate. They could look at clarifying statements by the minister in parliament. They can, in the normal course of statutory interpretation, even look at press releases. The last thing I would want is for a court to look at Wilson Tuckey's press releases in interpreting legislation that might be before us.

Let us acknowledge that we cannot force further amendments. At the end of the day, the question for us has been: if we were to disallow the regulations before us, would

there be less or more protection for those concerns that Senator Brown particularly talks about. The judgement we come to is that there would be less protection. Two of the major problems here are that, firstly, Senator Hill, in his indecent haste to promulgate regulations, made a mistake and, secondly, mistakes were made in the legislation itself. There is concern and confusion.

There is also concern that we had forced on the government before Christmas a requirement that there be a 30-day comment and public exposure period. That would have been good had it been deployed in the way it had been asked for by the Senate. But the government had a massive dose of malintent in that process. There were supposed to be 30 days during which a whole range of organisations would have had a chance to make some constructive input. If you look at the advice and the submissions to government, you see that there was a lot of advice, there were a lot of submissions made to provide for enhancement and amelioration of the legislation. But we had the government's regulations dropped virtually on Christmas Eve—the Friday before Christmas. The suggestions were ignored. All we got from the government, in response to a whole range of submissions, were some minor changes, some minor embroidery at the edge of this legislation. It is no wonder that there is now general unhappiness with the regulations, as reflected in what the Australian Conservation Foundation, Greenpeace, the Nature Conservation Council, the Total Environment Centre and the Wilderness Society had to say:

Much of the details relating to issues debated in Parliament were left to the ORER to clarify in the Regulations. We believe the regulations fail to close loopholes left open in the Act.

That is a concern they had, which they raised with government. They acknowledged that there were loopholes in the legislation. There is some degree of protection in these regulations but nowhere near the protection that could have been adopted by the government. The Renewable Energy Generators Association believed that there were inconsistencies in the draft regulations, and stated:

REGA strongly encourages close scrutiny by a legal firm acting for the AGO to remove these

and any other ambiguities in the regulations to ensure that they are not open to legal challenge.

I am sure that the environment movement has already seized on the fact that these regulations will be open to legal challenge. These regulations will provide triggers for interest groups to contest, for instance, what is a primary purpose, and other concepts in the legislation. To the extent that the government did not take the advice of organisations like the Renewable Energy Generators Association, they are leaving themselves open to a degree of litigation. When one makes a balance in the environment movement, I think some people are coming to the conclusion that an opportunity for litigation may be one thing that they get out of these regulations that they would not otherwise get from legislation. The Sustainable Energy Industry Association stated:

Contradictions and omissions within the renewable energy regulations suggest they would prove unworkable, particularly in the area of use of native forest biomass for energy production.

Senator Hill, in ignoring and railroading a consultation process with respect to these regulations, you have left yourself and interested parties open to a degree of litigation. This legislation can be litigated. To the extent that you have not picked up the advice from a whole range of organisations, you have played into the hands of those people that you least want to assist. In terms of that general unhappiness, there were concerns, for instance, with respect to the regulation that Senator Brown wishes to disallow.

Of particular concern to some industry groups is that the regulations will act as a significant disincentive to future plantation investment. The concern is that the generality, vagueness and uncertainty of regulation 8(6)(a)(ii), which requires wood waste from a plantation to be the product of a harvesting operation 'for which no product of a higher financial value than biomass for energy production could be produced at the time of harvesting' to be an eligible energy source under the act, will definitely lead to litigation. So I say to people like Senator Brown: even people opposed to you in the debate have real concerns about these regulations and are concerned as to their clarity and con-

sistency, but they are also at this stage already signalling that they may find themselves in court questioning some of the concepts. So without the regulations in place, those sorts of avenues may not be available to those people. It may in fact be doing the government a favour to disallow some of these regulations. I have come down very strongly on the view that the regulations do add something—they are not sufficient, but they do add something. Disallowance will not stop the sorts of concerns that Senator Brown and others in the community might have.

In terms of what the regulations might do—for instance, if you look at regulation 8 that Senator Brown is concerned about—there are some prerequisites that have to be met before the timber can be accessible. Firstly, you have to satisfy a primary purpose test; secondly, you have to ensure that they come from a place covered by an RFA; thirdly, you have to ensure that they are produced in accordance with ecologically sustainable forest management principles; fourthly, if they are outside an RFA area, they have to be produced from harvest and taken in accordance with an ESF. They also have to ensure that the minister is satisfied they are consistent with those required by an RFA. The wood waste must be a by-product or a waste product of a Commonwealth, state or territory approved operation. All these factors in the regulations ensure that there is going to be some level of external scrutiny as to what sort of native forest can be used.

Senator Brown—That is bunkum.

Senator BOLKUS—Senator Brown, you can say bunkum, but I know from your experience in this area—long and meritorious as it is—that you understand the importance of having prerequisites in legislation on which government can be tested. Although these regulations are not adequate for you, they do provide some avenue of opportunity. You might say, 'Bunkum,' in respect of what I am saying to you, but without these regulations in place you will not be achieving what you want to achieve. It is not the regulations. If we pass your disallowance motion this afternoon, you will not be able to achieve what you want from this. The debate that we are

having today is one that we had in terms of the legislation when it passed the parliament late last year. At the end of the day, if we were to disallow regulation 8—which you ask us to do—we will have a broad statement of principle of availability access to native forest timber, and that is something that cannot be stopped by disallowance this afternoon.

In a sense, we have the same sort of problem with regulations 11 and 19. If we disallow those regulations, it will not make a difference in the regulations, for instance, in respect of solar water heaters and access to non-renewable energy and renewable energy. Basically, our position there is that, once again, if we were to disallow the regulation, the bald statement of the legislation would prevail without any trigger, without any prerequisite and without any machinery to provide any degree of certainty. It does not provide the protection that Senator Brown would want were we to disallow regulations 11 and 19.

As for item 3 schedule 3, the renewable power baselines, it was a concern that we mentioned in the debate last year—the baseline calculation. In respect of this, we see the disallowance motion not only as misguided but also as self-defeating. The regulations that the Democrats seek to disallow do in fact offer the regulator some flexibility to select an alternative baseline to address the issue that the Democrats are concerned about. Were we to support that disallowance motion and disallow item 3 of schedule 3, then we would be basically defeating the purpose. It would be an unknown goal in a sense, because we would be removing from the regulator any degree of power the regulator might have.

It could be argued that the power is not sufficient, but at the end of day in supporting that disallowance we would disallow the only item that would mean a default method, and so item 2 would apply. We find that self-defeating. For us, it is an unsatisfactory turn of events in the way that these regulations have been developed. We do not think the regulations are certain enough. We do think the regulations will lead to litigation, but we also believe that were we to disallow these

regulations then the situation we would find ourselves in and that the community would find themselves in would be one of less protection for the concerns that the Democrats and the Greens are pursuing. Accordingly, we will not be supporting the disallowance motions.

Senator HILL (South Australia—Minister for the Environment and Heritage) (5.58 p.m.)—The government, of course, opposes the three disallowance motions. This is very important legislation. It is going to provide a major boost for renewable energy in this country that introduces increased mass and therefore brings down cost. A more economically viable renewable energy industry in this country is very important to us in terms of reducing greenhouse gas output.

The regulations were prepared with considerable care. Consultations were entered into before the draft was put out for public exposure. The 30-day requirement is unusual—nevertheless, it was written into the legislation and there was that period for public examination. A number of representations were made. I know that it was over the Christmas period, but it did not seem to have the effect of dissuading those with an interest in this matter in considering the matter and making their representations. Those representations were taken into account, and after the consultations the draft was refined and the regulations were made. Now, some time later, we are debating three disallowance motions dealing with particular aspects of those regulations.

We have considered the arguments carefully because, as I have indicated, this is important legislation and we want it to work both fairly and effectively. I will deal first with Senator Brown's motion dealing with wood waste. We really cannot provide a satisfactory answer for Senator Brown, in that he is philosophically opposed to the commercial utilisation of native forests and this legislation permits wood wastes arising from native forests to be utilised in this way. So we have that philosophical inconsistency there. It is our view that if it is wood waste and can contribute to viable industry and therefore to jobs, then it should be permissible. He says in no circumstances should it be

permissible because it is waste that has arisen from native forest harvesting; and he would oppose even characterising it as waste. But the legislation was passed last year, it provided for wood waste to be utilised and we needed to draw regulations that would enable that law to be administered effectively. That is what we have sought to do.

If Senator Brown were to concede a point—which is not his wont—moving beyond the philosophical issue, he would have thought that there was some comfort in these regulations: in the requirement that they either be limited to regional forest agreements, which have therefore, by definition, been assessed by the Commonwealth, or, alternatively, be utilised only where, if they are not RFAs, the Commonwealth is satisfied that the forest management practices are ecologically sustainable. But I do not expect to get much recognition of that from Senator Brown.

On the other side of the debate there are those who argue that we have been unduly stringent in our restraint upon the characterisation of wood waste. That is just part and parcel of this debate. It is one of the reasons Senator Bolkus was able to refer to a number of representations from parties who are unhappy with aspects of these regulations, because parties have come to this issue with very different starting positions. But, wood waste having been provided for in the legislation—which we think is philosophically sound—we do not accept his argument that it is leading to the harvesting of native forests. It has got to be waste arising from a native forest that is being harvested for a higher value product. We think the regulations as drafted are sensible and workable and will facilitate the administration of this legislation.

In relation to the Australian Democrats' concern with hydro, I have, as Senator Allison acknowledged, corresponded with her on this issue. I understand her argument, that she wants to ensure that there are no free kicks and that when benefits flow to hydro it is as a result of investment made to achieve that additional energy. We nevertheless believe that baselines have to be established. I

think Senator Allison would have to acknowledge the danger in not establishing baselines, because what we are talking about is clearly additional energy. We think the formula that we have provided in these regulations is a sensible way to establish those baselines. I think it was half conceded by Senator Allison that there is some flexibility on the part of the regulator to ensure that baselines allocated to individual power stations do not understate the real level of generation. We think it is the better way to go.

I could have a long debate here with Senator Allison about the difficulty in distinguishing between investments in terms of maintenance of existing capital as opposed to new capital. All of these matters would have been ongoing issues if we had adopted the Senator Allison approach to the matter. I do not quarrel with her on principle—our objective in the legislation is to ensure that we achieve additional renewable energy, and the incentives are provided for that purpose. We believe that the way in which we have sought to deal with hydro power and how you determine what is additional energy in those circumstances is a more practical and efficient way of administering the legislation than the alternative she has advocated.

In relation to the issue of solar water heaters, the government again is bound by the terms of the legislation that we passed last year, which specifically provides that the solar water heater must displace non-renewable electricity. That has led to the circumstance of which Senator Brown quarrels in relation to Tasmania. I understand that argument; but in terms of the stricture of the act we have been unable to see a way around that.

One answer I could give to Senator Brown which he would not receive enthusiastically is to suggest to him that it may not be long before Victorian power is exported, as part of a baseload, to Tasmania from a coal-sourced power supply. That would then allow Tasmania to take advantage of the provisions included within the legislation. Similarly, Tasmania is looking at the prospect of gas-fired power for the future, which would enable this provision to come into effect. But

the circumstance at the moment is that the legislation does require us to provide the certificates only when the water heater does displace non-renewable electricity, which in current circumstances in Tasmania provides the difficulty of which Senator Brown complains. If there was a way in which we could address that uniquely—in the case of Australia—Tasmanian circumstance, then I would be prepared to consider it. It might require legislative amendment for the future. But, not surprisingly, I would encourage Tasmanians to install solar water heaters as much as I would encourage any other Australians.

In those circumstances, the government opposes the motions that are before the Senate today and trusts that the administration of the act will proceed and the benefits, in terms of a growing renewable energy industry in Australia, can be achieved, with all of the environmental benefits—and in particular greenhouse benefits—that would flow from that.

Senator O'BRIEN (Tasmania) (6.10 p.m.)—I want to make a very brief contribution to the debate on the disallowance motions. Following on from Senator Allison's contribution, people listening to the broadcast might have got the impression that there would be a benefit to Tasmania arising from setting a benchmark date and that there would be no investment by the Hydro-Electric Corporation in Tasmania in generating additional electricity from existing and new resources. Perhaps Senator Allison did not mean to convey that impression but I certainly got that impression. That is not the case. I understand that there is a proposal to improve the generation equipment which attaches to the dams in Tasmania with a view to increasing the generation capacity—from existing resources of water—by some four to six per cent. It seems to me that that is a valid way of improving the generation of a renewable energy from existing resources and is valid under the legislation.

A second and important measure being pursued by the Hydro-Electric Corporation in Tasmania is wind farms. I understand they are seeking to establish wind farms on an old property on the north-west tip of Tasmania—

Woolnorth. They have been for some time seeking to process the necessary approvals but have had a series of issues placed before them by Senator Hill's department through the Environment Protection and Biodiversity Conservation Act, the latest of which apparently relate to examining the impact of the wind turbines on wading migratory birds. They may have some impact—although one should note that Woolnorth is on a plateau and well away from the normal habitat of these birds—but it would have been better had the minister's department dealt with these matters together, rather than raise issues in a fashion such that there was a series of impediments put in the way of the Hydro-Electric Corporation establishing wind turbines as another means of power generation. Hopefully, the minister will look at the operations of his department so that that can be expedited.

I simply make that contribution—saying that I support the submissions from Senator Bolkus on behalf of the opposition—to make it absolutely clear that Tasmania relies almost exclusively on renewable energy and the Hydro-Electric Corporation propose to increase the amount of renewable energy generated: firstly, from their existing dam base; and secondly, from the newer wind technology. There should be no doubt that Tasmania will proceed further down the path of the use of renewable energy and nothing should be put in its way in doing that.

Senator BROWN (Tasmania) (6.14 p.m.)—Clearly, Senator Allison and I are going to be outvoted. The problem here is that the Labor Party are supporting the regulations which allow forests to be burnt in furnaces, converted into electricity and then sold as green power. It is inconsistent for them to do so, but they are every bit as bad as Senator Hill and the Howard government in this matter. The aim and intent of the move to disallow parts of these regulations was to get them improved, but the Labor Party are with the Howard government lock, stock and barrel in this anti-environmental component of a piece of legislation which, timid as it is, ought to have been pro-environment through and through. Not only could the government not rise to that but nor

could the Labor Party because, historically, they cannot get away from supporting the woodchip industry and the fossil fuel industry.

It points to the fact that, if we do get a Beazley government further down the line, in that regard we cannot hope for much from them. This is one of the reasons why so many people in the electorate are fed up with the big parties and want alternatives which offer some break away from this nexus between the big parties which, on an issue like woodchipping, which 80 per cent of Australians want stopped as far as old-growth forests are concerned, are hell bent on increasing it. You would think that Mr Beazley's opposition ranks would have the nous to put some distance between themselves and the government over the woodchip industry, which is marauding these great forests and their wildlife, but there is not. The problem in Tasmania is that the Bacon Labor government is gung-ho about this and is tying in the time-honoured relationship between the woodchippers and successive Labor governments by taking the destruction of Tasmania's forest to their illogical conclusion.

Because I will not let it pass, I want to take Senator Hill on over the debased argument he has about this being good for the environment. Senator Hill uses the term for destruction of the forests as 'ecologically sustainable forestry'. He says, 'Goodness, we won't allow these forest furnaces to be fed out of the wild forests of Australia unless it is an ecologically sustainable process.' But he knows it is not. Prime Minister Howard knows it is not. Every member of the government knows that you cannot replace an intact ancient forest ecosystem after you have moved in the chainsaws and bulldozers and cut it down, and then firebombed and poisoned it, as happens every day of the week in Tasmania. Here is a picture of a forest in the Tarkine in north-west Tasmania, ablaze from end to end, with a helicopter from Forestry Tasmania dropping incendiaries. Senator Hill might look away, because it is hard to look at. But the whole of that former rainforest is being destroyed by a fire holocaust, and the basis of Senator Hill's asseveration that this is ecologically sustain-

able is not supportable. It is a logging inferno exercise—an LIE—a lie—that we see here. It is a government lie that we see here. It is a disgraceful way to be treating this nation's forest heritage and burning for profit the birthright of future generations to enjoy these forests as we do. This process is saying not only that will we burn the forests but that the big woodchip corporations, which put those big cheques into the electoral accounts of the Labor Party and the Liberal Party, will be able to convert it into money, profiting by it, selling it on the market as green energy, when it is not. I do not know what you can say about a government which deliberately brings into law a falsehood, a deceit of people. If you do not know what to say about a government that does that, how do you deal with an opposition which supports it to the hilt? No wonder people are fed up with the big parties and their unbreakable nexus with the big end of town, going against the wishes of the vast majority of Australians.

We will be outvoted on it, but this forest inferno, which increases all the time under this government, is going to be an election issue. I can tell the Labor Party that, if they think they are going to get support from the Greens while their policy is to burn just as fast, they should think again, because, as far as I am concerned, that is not on. That is not what I am here for. I will never turn my back on this despicable industry. Australia's heritage is being destroyed by a number of cold-hearted people who buy their way to political suasion by putting money into the coffers of the big parties. I will never support that. That is what the Labor Party are doing here today and that is what the minister for the environment is doing here in his disgraceful way of failing in his duty to defend this nation's great environment. 'Burn it and make money out of it,' is his way of doing things. And it is coming direct from the Prime Minister's office, because we have a Prime Minister who does not have a heart when it comes to this nation's heritage.

Thank goodness we are in a democracy where people will have a choice further down the line. Thank goodness we are in a democracy where people who do the right thing can get rewarded, as happened in

Western Australia recently. When it comes to the business of Tasmanians being penalised because they will not get the rebate when they put solar hot-water systems into their houses, the best the opposition can do is say, 'We support the regulations as they stand,' and the best the government can do is say, 'That is unfortunate for Tasmanians. We'll have to wait until you get a Basslink cable so that polluting brown coal comes into Tasmania and then you will get an advantage.' So pollute and you are rewarded; don't pollute and you get penalised.

The minister says, 'It's too hard. If someone can offer me a way of getting a formula, I'd fix it.' The question is: didn't he have the wit or wisdom to put in his legislation a clause which says, 'Tasmanians won't be penalised. If they put a hot-water system on their roof, they'll get the same rebate as everybody else because they are investing in renewable energy'? Solar power is better renewable energy than hydro power, let me tell you, because at least it is not involved in flooding valleys and suffocating wildlife, which itself leads to greenhouse gas production, something that goes unrecognised as far as hydro systems are concerned.

I feel very frustrated by what we are witnessing here, and I am sure Senator Allison shares that frustration. We have a minister for the environment who fails the very name of his ministry. We have an opposition which fails to challenge him on that. I want to reiterate, though, that this should have been fixed here today, that these regulations should have been amended, and that the government would have fixed them to some degree if the opposition had stood ground but it did not. So the forests are penalised, and people in Tasmania who want to put a solar hot-water unit on their roof get penalised too.

You pick on the poorest state in the Commonwealth and you give them a disadvantage because they happen to have a hydro system instead of a polluting coal system, and this minister for the environment says, 'The best way Tasmania can fix that is to get some multinational corporation to put a cable under Bass Strait which Tasmanians are going to have to pay for to bring polluting coal power into their state, and then we'll reward

you. But if you don't do that, if you want to keep Tasmania clean and green, we'll penalise you against everybody on the mainland who wants to put a unit on their roof,' and the Labor Party supports that. Well, I do not.

Senator ALLISON (Victoria) (6.25 p.m.)—To sum up the issue of the hydro windfall, I think it was disappointing that Senator Bolkus was not able to give us some assurances that the ALP would sort out this problem if they were in government. In fact, we heard little from the ALP about it. I do not know whether that is because the nature of the problem is not understood or what the reason is, but it is a very significant issue and I was disappointed that Senator Bolkus was not able to give us a greater commitment on this issue. I am not convinced that scrutiny was going to help very much on this issue. We will have a review after two years, it is true, but it is that first two years where the biggest problem is going to arise because, as I said, there is a very strong indication that the certificates will be generated which will take up that first two years of the measure.

To respond to Senator O'Brien's comments, I thought I made it quite clear that the Democrats are quite amenable to the idea of investment in existing hydro schemes being acknowledged and in fact certificates being generated if that investment ends up with more renewable energy as a result. That is our whole point. What we need is not just some notional baseline but a way of determining what that new investment—whether it is in equipment or new generation, and I have seen examples of some excellent work that has been done in North Queensland to increase the efficiency and the output of electricity—would generate by way of extra electricity. It seems to me that it would not be an impossible task to determine what those measures would generate; in fact, the hydro companies would go through that process. What we are talking about is the windfall gain which comes from two main factors, the first being higher rainfall. If you take an average over the previous period—no matter what that period is from our calculations—you are still going to get an increase, even if you have in some cases a normal rainfall year or higher levels of rain

than you might have had in the previous averaged period. So that is one point.

In Tasmania's case—and Tasmania stands to gain most from the figures, from what we can see—it has undergenerated its capacity for a very long time. Simply by choosing to generate electricity with all of the water at its disposal, it can generate extra certificates. Neither of those issues was dealt with by Senator Hill or Senator Bolkus. Senator Hill says that he does not quarrel with the principle. I think we are looking for a bit more than not quarrelling with it; we want to see what the government will do if the situation arises which everybody expects—that is, that enormous numbers of certificates are generated. In fact, according to our calculation, for Tasmania it is likely that, using the baseline of 8.88 million megawatt hours and taking the current capability, which is 1.48 million megawatt hours higher than that, you are looking at a very substantial number of certificates. In fact, we reckon the figure would be about \$44 million, based on the assumption that those certificates would be worth about \$30 a megawatt hour.

So we are talking here about very significant sums of money and, as I said, consumers will be paying for this for no real extra benefit. In other words, if they are not paying extra, it will still happen and 'business as usual' will be very costly indeed and to the detriment not only of consumers, who will pay extra for their electricity generated this way, but also of the rest of the industry, who will not get a kick-start, if you like: they are not going to be able to persuade their bank manager that, in the first couple of years of operation, they will be in a position to sell certificates at a reasonable level.

So it undermines the whole measure. Really, it is almost the last straw, in terms of this legislation. It could have been good, but it has been undermined continually by changes since the first concept; and now the regulations are, as I said, the last straw. We are disappointed that we have, firstly, got no commitments from the ALP as to what they would do in government if they were to assume office. All we get is some sort of reassurance that there is scrutiny. I do not think there is scrutiny there. We have a review but,

again, it will be too late: by the time that review comes about, we could have \$40 million worth of certificates generated for nothing, for 'business as usual'.

The ACTING DEPUTY PRESIDENT (Senator Knowles)—The question is that the motion moved by Senator Brown, motion No. 1, be agreed to.

Question resolved in the negative.

The ACTING DEPUTY PRESIDENT—The question is that the motion moved by Senator Allison, motion No. 2, be agreed to.

Question resolved in the negative.

The ACTING DEPUTY PRESIDENT—The question is that the motion moved by Senator Brown, motion No. 3, be agreed to.

Question resolved in the negative.

CRIMES AMENDMENT (AGE DETERMINATION) BILL 2001

Report of Legal and Constitutional Legislation Committee

Senator McGAURAN (Victoria) (6.32 p.m.)—On behalf of the chair of the Legal and Constitutional Legislation Committee, Senator Payne, I present the report of the committee on the provisions of the **Crimes Amendment (Age Determination) Bill 2001**, together with the *Hansard* record of the committee's proceedings and tabled documents.

Ordered that the report be printed.

(*Quorum formed*)

TAXATION LAWS AMENDMENT (EXCISE ARRANGEMENTS) BILL 2000

Second Reading

Consideration resumed.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (6.35 p.m.)—The **Taxation Laws Amendment (Excise Arrangements) Bill 2000** ensures that excise administration is transferred from the customs office to the Australian Taxation Office. The transfer actually took place many months ago, and this bill simply regularises what has been an administrative reality. The Labor Party does not, of course, oppose the transfer. Once again, though, this bill represents another

sents another example of the Assistant Treasurer's continuing incompetence in the administration of his portfolio. Once again, this chamber is being asked to give legislative effect to a government administrative change that was made some time back. Is it any wonder that we have the level of community revolt against the GST and against this government more generally, when it has ministers that act like this?

Continued bungling and incompetence are the order of the day here; so we are now being asked to clean up the mess. Senator Kemp should be thankful that the opposition is so cooperative and helpful and ready to assist him. What we are witnessing, though, is a government that has not got its eye on the ball, a government that is not prepared to understand the detail of its own tax administration system so as to address it in a way that plugs the leakage of the revenue base. We have already seen how this government is soft on tax cheats in the top end of town, as witnessed by the dumping of the bill that would tax trusts as companies. Does this really come as any surprise, given that the discretionary trust is the tax avoidance vehicle of choice for most of the Howard government front bench, led by none other than Senator Heffernan, the Prime Minister's personal selection for Parliamentary Secretary to Cabinet?

Only last week we saw another government backdown on key measures seeking to shore up the revenue base. But because they would have impacted on the big end of town they were dumped. This is a government that claws back GST compensation from pensioners but lets its Liberal mates pillage and plunder the tax system. Let us get this clear: pensioners pay the GST and watch their compensation getting clawed back while the government does nothing to ensure that its mates at the top end of town pay their fair share of tax.

This is a government that has allowed general tax administration to suffer because of its ideological fixation with the GST. Excise is simply one area where this has occurred. Labor forced the government to lift its game in the excise administration area specifically on the question of fuel substitu-

tion and in clamping down on the illicit tobacco market. The shadow Assistant Treasurer, Mr Kelvin Thomson, has been particularly vigilant in exposing the government in these areas and he rightly deserves much of the credit for the tightening of the law in this area which occurred last year.

This is not the only area of law where the government and Senator Kemp have been asleep at the wheel. In the last sitting, we had the farce of the aircraft noise levy exposed where the government has unlawfully been collecting a tax to the value of almost \$200 million. He had to introduce a bill to retrospectively fix up the mistake. Labor, as a responsible opposition, supported that legislation. But what do we find from the Howard government and all its ministers? We find blame shifting again. It is not the government accepting responsibility for this but the Treasury. We have seen the Prime Minister accepting credit for cuts in interest rates but blaming the Reserve Bank when they put them up. This is a Prime Minister who claims credit when everything is going well but finds everyone else to blame when things are going wrong. I will now discuss the issues raised in the opposition's second reading amendment, which has been circularised.

The ACTING DEPUTY PRESIDENT (Senator Knowles)—Would you care to move that amendment, Senator Cook?

Senator COOK—I think that is probably a necessary precondition before I discuss it! I move the opposition amendment on sheet 2157:

At the end of the motion, add:

“but the Senate condemns the Government for:

- (a) failing to listen to the community concerning the GST impact on excise levels;
- (b) opposing Labor's private member's bill giving a fuel excise cut to motorists yet condoning a Government backbencher's private member's bill that would tear up the Intergovernmental Agreement signed with the States;
- (c) belatedly reducing only a portion of its GST fuel excise windfall merely because it is in a state of panic; and

- (d) its poor administration of the excise regime”.

Firstly, for months now, since the introduction of the GST, the Australian motoring public have been calling for relief from excessively high petrol prices. It is true that part of the reason for higher fuel prices was what happened to the international price of oil. But what is also undeniable is that the other reason petrol prices were forced up more than they needed to be was that this government broke a promise in relation to the GST. The promise was simple and it was unequivocal: the GST will not put up the price of petrol. Further, the Treasurer said that the government would ensure that the excise on petrol fell by an amount equivalent to the amount the GST would go up by. But what happened when the government implemented its so-called policy? Bear in mind that this was the policy they enunciated during the election campaign: ‘The petrol price will not go up due to the GST and we will reduce the excise by an equivalent amount.’ What did they do, though? Through sleight of hand the Prime Minister imposed a GST that put the price of petrol up 8.2c per litre but reduced the excise by only 6.7c a litre. This out of touch Prime Minister pocketed 1.5c on every litre of petrol sold. He implemented a non-core promise but just failed to tell the Australian motoring public about it. That was a huge deceit of the Australian motoring public.

Interestingly, the Treasurer went missing in action when this announcement was made. He flew to Paris and left it to the hapless Minister for Finance and Administration, Mr Fahey, to make the announcement. Mr Costello knew he had broken his promise and he fled the country; he fled the country as he was slugging Australian motorists on every litre of petrol and breaking a promise that he swore hand on heart during the election campaign he would honour. This Prime Minister and Treasurer cannot go to the electorate and promise unequivocally that the price of petrol will not go up as a result of the GST, dud them when it comes to the implementation and be allowed to get away with it, so the ALP mounted a campaign on this issue—as did the motoring organisa-

tions, as did outraged people in the public—seeking to have the government honour its promise. If, in the lead-up to the campaign, the government was telling Treasury of its policy and Treasury was looking at the government’s promise, which was to reduce excise by an equivalent amount when it reduced it by only 6.7c per litre, then there had to be a windfall for the government, a windfall that was not budgeted for. Our argument always was that relief could be given on petrol without affecting the budget because it was a figure never budgeted for. It could not have been, if the Treasury was taking notice of what the Treasurer and the Prime Minister promised. We were saying that this was not a hit to the budget; that it was a windfall that should be given back to Australian motorists.

But the windfall did not stop there. The first of the windfalls was the 1.5c per litre. Remember that the price of petrol at which the government struck the decision about excise was a strike price which the government said was 90c a litre. Subsequent to that decision, the price of petrol was consistently around the \$1 mark, so there was a further windfall by virtue of the fact that the strike rate was higher again than would have been budgeted for. In addition to that, for every cent that the price of petrol goes up the government pockets one-eleventh of it, because of the GST—the GST being a retail tax. The excise tax is a flat rate tax but the GST is a retail tax. So, if the price goes up and if it goes up above what the government was projecting it would go up, there is another windfall. That is not to mention the other windfall: what the government gets from petroleum resource rent tax. The government was telling motorists that it could not afford to give them petrol price relief but was pocketing not just one windfall but several.

This government has not come clean on the extent of the fuel tax windfall and to this day refuses to do so. It is a disgrace that it has not, because it promised budget honesty. We have been asking for the assumptions on which Treasury and the government based their projections and forecasts on petrol and we still do not have them. Why? Because we know they are hiding something. We know there is a windfall; what we do not know is

the exact amount of the windfall. It is for this reason that Labor introduced a bill into the parliament through the Leader of the Opposition to get the government, as the first instalment of returning the windfall, to freeze the February adjustment on petrol excise.

Senator McGauran—What about abolishing indexation?

Senator COOK—We also established an inquiry into what is going on in the industry and how the government is ripping off Australian motorists. I have been interjected upon: what about the indexation increases? I understand that a bill is coming before the chamber later this week, probably Thursday, in which we will vote for the abolition of those indexation steps. But I do point out to the interjector that our private member's bill—a bill I personally introduced in this chamber on 1 February to abolish the first indexation step—well preceded the backflip by the Prime Minister on petrol. This chamber could have voted for it but we were faced with the odd occasion on the last sitting Thursday that we convened of the Prime Minister announcing his backflip on petrol and government senators speaking against our bill. If they had voted on it, that would have removed the indexation for 1 February immediately and we would have had the relief of that from several weeks ago and not be waiting for the legislation this Thursday. But I do digress because of the interjection. Let me return to what I was saying.

We have also established an inquiry into what is occurring in the industry and how the government is ripping off Australian motorists. We tried to get the Democrats to agree to that inquiry and to do it through the Senate. They would not do that, so Labor established its own inquiry. That inquiry has visited now over 30 locations around the country and taken formal submissions. It was that inquiry that recommended to the parliamentary Labor Party the basis for the bill I talked about before—and that is why the inquiry will now continue. We also want the inquiry to address a number of other issues. First of all, we want to know the full extent of the windfall because, as the second instalment, our commitment was to establish the extent of the windfall, the precise amount, and to

look at options for returning that windfall, in addition to the freeze last February.

We also want to look at the city-country divide, which is widening under the GST. We now have a situation where people in regional Australia pay more tax on their petrol than do people in city Australia. This is because the GST is on the retail price. So, where the margin is wider, the GST compounds the cost—and it is worse in rural and regional Australia than in the cities. Everyone knows that people in rural and regional Australia pay bigger margins, not just on petrol but on many goods and services. Under the old system everyone paid the same amount of tax, regardless of where they lived. Remember the Prime Minister's Nyn-gan declaration? When the Prime Minister went on tour in January last year and started to see the anguish in regional Australia, he said that nothing the government did would see services taken from the regions and that they would not seek to widen the city-country divide. Yet six months later they introduced, by deceit through their broken GST promise, a mechanism that—in addition to that deceit—widened the gap in tax now paid in regional Australia versus in the city.

It is also important to note that nothing in the Prime Minister's announcement regarding his backflip on petrol addressed the very important issue of LPG, which is used a lot in regional Australia and will be used increasingly, with the onset of winter, for heating in the colder states of Australia. It is encouraged as an environmentally sound substitute for petrol; but now we are seeing a situation where the price of LPG has skyrocketed as well. LPG took the whole hit with the GST. There was no reduction: there was a total increase as a result of the GST. Yet nothing has been announced on that by the government in its petrol backflip.

When we proposed the establishment of an inquiry, what was the Prime Minister's response? He said that petrol had been 'inquired into to death' and that we do not need another inquiry. He said that there had been something like 40 inquiries. He was totally dismissive. Yet, when he did his backflip, what did he announce? Apart from the backflip, apart from adopting Labor's strat-

egy, he announced another inquiry. How can you take this Prime Minister seriously? That is the question that has to be asked. This is a Prime Minister who said that you could not give increased funding to roads as well as give a cut in petrol excise, because that would wreck the budget. This is a Prime Minister who said that we do not need another inquiry into petrol—a Prime Minister who is out of touch and not listening to the Australian public when they are saying, ‘Please, Prime Minister, do something about petrol.’

We have had some of the Prime Minister’s backbench in revolt. They were heroes at home in their electorates, calling for relief on petrol prices, but when they came back here to Canberra they were cowards. They were running around their constituencies saying, ‘Isn’t the price of petrol terrible? We’re going to Canberra to tell the Prime Minister that he has to do something,’ and then they wimped out when they got here. When Labor sought to introduce legislation to give relief, which was the freeze on excise that they were telling their constituents they supported, they would not vote for the Labor proposal. We made sure, though, that their constituents knew that. In every circumstance where a member of the coalition had been urging petrol price relief at home but had voted against it in Canberra, we made sure that their constituents knew about it—and we believe that those constituents will remember that when they come to vote at the next election. (*Time expired*)

Debate adjourned.

DOCUMENTS

Australian Radiation Protection and Nuclear Safety Agency

Senator STOTT DESPOJA (*South Australia—Deputy Leader of the Australian Democrats*) (6.50 p.m.)—I move:

That the Senate take note of the document.

I rise to speak on the ARPANSA quarterly report, the report of the chief executive officer of ARPANSA, for the period 1 October to 31 December 2000. This report covers a number of operations in relation to Australian radiation protection and nuclear safety issues. Covering performance, it obviously

deals with everything from uniformity of radiation protection frameworks through to regulation and international liaison.

My particular interest relates to page 8 of this report in relation to the replacement reactor site licence. I prefer to refer to that as the new nuclear reactor, given that it is a new nuclear reactor that is being proposed and will be developed as a consequence of this government’s decision—the tender, of course, has already been granted for that. But the report states that ARPANSA reviewed ANSTO’s compliance with the site licence, based on the quarterly reporting requirement. I also note that ARPANSA has assessed that all licence conditions continue to be met by ANSTO. However, I think we are all entitled to ask whether ARPANSA has copies of all the contracts—which goes to the broader question of how effective ARPANSA can be in assessing ANSTO’s performance if contracts are in doubt and there is no public disclosure of new contracts. This, of course, relates to some of the issues that I raised in question time today and to certain issues that cast doubt on the legitimacy of government contracts in relation to nuclear waste, and the shipment of spent fuel in particular.

In recent days we have heard the decision of the French court which saw the imposition of a ban on the unloading of Australian nuclear waste. The Cherbourg court ruled the storage of waste on French soil was illegal under the French radioactive waste management act of 1991. We were expecting that there would be a decision overnight as to whether or not an appeal of that decision would be upheld. I believe it has been upheld and that a final decision has been deferred until 3 April. No doubt that casts serious doubts over the legitimacy of contracts that have been signed between ANSTO and Cogema.

Senator Minchin, on behalf of government, should be a little more concerned than he was indicating today. In my questions to the minister today on nuclear and radiation issues in Australia, I asked the government about the so-called two-minute treaty that has been initialled by the Minister for Foreign Affairs, Mr Downer, and the government. Senator Minchin was unable to answer

some of the questions I asked him, such as the following. How long had this process of discussion of a treaty been going on? What preparations had been made by our government relating to the sensitive matter of nuclear waste? For example, does the treaty actually include issues other than nuclear waste? What are they? Was the ANSTO proposal, the poorly planned nuclear reactor proposal, driving the acquisition of that particular treaty? Why was the process of the treaty done so hastily?

Senator Tierney—Nonsense. It wasn't poorly planned.

Senator STOTT DESPOJA—I think even Senator Tierney has to acknowledge the comments in relation to international matters that were made on this issue to a Senate committee by the first assistant secretary of the International Security Division from the Department of Foreign Affairs and Trade. He was saying that treaties of this nature take up to six months to debate and discuss and be resolved. On 22 February the minister claimed publicly that it had not even been started. What do we see now? A month later we actually have a treaty under way. Those unanswered questions are still unanswered. However, I note that I did prompt Minister Downer to get a press release out this afternoon, so at least the Democrats have forced the hand of the government on this issue.

The government has actually responded now, a little wary of criticisms that it is being a little secretive and that the processes have been anything but open and accountable. Certainly the people in the Sutherland Shire, which I am sure Senator Forshaw will talk about shortly, had no knowledge of the treaty and its contents and have good reason to be concerned, given that the new nuclear reactor will be in their region. I welcome the ARPANSA quarterly report. It highlights some issues but certainly there are more. I cannot wait to hear explanations from government as to the legitimacy of those contracts—not just between ANSTO and Cogema but also the INVAP contract with Australia.

Senator FORSHAW (New South Wales) (6.55 p.m.)—I rise to make some comments on the quarterly report of the Australian Ra-

diation Protection and Nuclear Safety Agency. I follow on from the comments of Senator Stott Despoja. For a number of years the government now has treated with disdain any requests for information for public accountability with respect to these important issues regarding the Lucas Heights reactor and the proposed new reactor. The government continues to bury its head in the sand and ignore an increasing array of problems that are arising.

In this ARPANSA report there is reference to the replacement reactor site licence. It has become clear, particularly through the processes of the Senate select committee looking into this issue, that before a licence to construct a new reactor is issued the Australian Radiation Protection and Nuclear Safety Agency will be requiring very strict undertakings that issues of waste disposal have been resolved. It has also become clear that there is no strategy in place for the long-term treatment and disposal of the nuclear fuel rods from Lucas Heights. Minister Minchin and other spokespersons for the government and for ANSTO have said, 'We have a system in place. The system is that we take the spent fuel rods from Lucas Heights and we ship them to France. They will be reprocessed there under the contract with Cogema and then in 10 or 15 years time they will be brought back to Australia and will be stored in some waste facility.' That strategy is in tatters.

I remind the Senate that it was only a couple of years ago that ANSTO and the government were saying we had a strategy in place, but at that time they were not being sent to France; they were being sent to Dounreay in Scotland. That was the plan then. What happened? The government in the United Kingdom decided to close down the reprocessing plant at Dounreay and said, 'We will not take any more of Australia's spent fuel rods. We will not process them.' ANSTO said, 'Oh, well, we will go and talk to the French.' They entered into a contract with Cogema. The problem now is that a court in France has upheld an action by Greenpeace and said that there is no provision to reprocess that waste in France and that it is, at the moment, illegal. So those

spent fuel rods are sitting on a boat, off the coast of France presumably, with no home to go to—nowhere to be reprocessed.

Similarly, this government has entered into a contract with INVAP, the Argentinian company, for waste from the new reactor potentially to be reprocessed or conditioned in Argentina, but serious questions have been raised as to whether or not that country can accept nuclear waste from Australia. Minister Minchin says, 'Yes, I have been told by the Argentinian government that there are no problems.' Having seen what happened with Dounreay in Scotland and having now seen what has happened with Cogema in France, you have to seriously question whether the strategy for the new reactor will stand up or whether, more likely, it will fail as it has failed in the past.

The government has taken absolutely no notice of early reports which have said that the issue of waste disposal has to be resolved before any new reactor should be built. Again, Minister Minchin bowed to public pressure and to pressure from his own state colleagues in the coalition in South Australia and said, 'We will not put the waste facility in South Australia.' The problem you now have is that no other state wants that nuclear waste facility either and the likelihood is that it will continue to be stored for the long term at Lucas Heights. That is a situation that the people of the Sutherland Shire will simply not accept. I seek leave to continue my remarks.

Leave granted; debate adjourned.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Order! The time for consideration of government documents having expired, I propose the question:

That the Senate do now adjourn.

Political Heroes

Senator HUTCHINS (New South Wales) (7.01 p.m.)—On the 8 March here in an adjournment debate Senator Mason gave a very idolising speech on President Reagan reaching his ninetieth birthday. As I listened to Senator Mason, it struck me once again—as it has on many occasions in my political career—how few heroes the Australian conser-

vatives have. The fact that we hear Senator Mason from Queensland talking about President Ronald Reagan in an admiring and idolising way just confirmed for me how much they lack heroes.

But I will come back to that shortly because it would be wrong not to make comments on Ronald Reagan's presidency. As a number of people may be aware, particularly in America, one of the things that does stand out about Ronald Reagan and his administration was the despicable involvement of his administration—even though he denied it himself—in that terrible Iran-Contra deal. To remind people about the deal I have here an excerpt from the Independent Counsel's summary on the Contra deal where he says that one of the surviving crew members of the plane that was shot down or fell out of the sky, an American called Eugene Hasenfus, when taken into captivity stated that he was employed by the CIA. In 1986, not more than six years after the Americans were publicly humiliated by the forces that took over their embassy in Tehran, that administration or people connected to it were selling arms to Iran and from the deal that was made there they were giving money back to the Contras in Nicaragua so that they could conduct an illegal war against the government of that day.

Senator McGauran—They were not exactly democratic.

Senator HUTCHINS—They were not. I would not say they were democratic, Senator McGauran, but the Congress of the United States had said that there should be no assistance given to them and that should have been enough for their elected administration. However, because of what Ronald Reagan had started up, they were involved in this diversion. This diversion was against the will of the Congress and obviously of the people of United States. And the senior levels of the Reagan administration were connected to that grubby deal. I cannot imagine how any American would have allowed their government to even entertain the idea of selling any arms to Iran after what Iran had done to their American personnel in the Tehran embassy in 1979. However, they let that happen, and I

suppose that is something that will be commented on later.

Senator Mason said that President Ronald Reagan had promoted the 'cause of human rights, freedom and democracy'. This was the same administration that was supplying money and arms to the Islamic fundamentalists in Afghanistan, and we are seeing the results of that today. This was the same administration that was supplying assistance to the corrupt and discredited Marcos regime in the Philippines. This was the same administration that was supplying assistance and support to the repressive regime in Chile under President Pinochet. I wonder how Senator Mason can come into this place and say that former President Ronald Reagan was indeed a supporter of these basic human rights and freedoms. Clearly, he was not and he demonstrated that.

President Reagan in one of his speeches misquoted a fellow 90-year-old former president, John Quincy Adams. He misquoted him when he said, 'Facts are stupid things.' In fact, John Quincy Adams said, 'Facts are stubborn things,' and that is exactly what we have seen with President Reagan and this eulogising of him by Senator Mason. I come back to this point, and I am pretty sure that you will agree with me. When you look at the conservatives you see the lack of heroes that they have. When I was growing up in the 1960s my heroes were on *Disneyland—Swamp Fox* and *Adventureland*—and we were taught at school about Old Shep and the Man from Snowy River. I wonder what the conservatives were brought up on. You look at what they look at now. They have to look to Ronald Reagan and Margaret Thatcher. Look at what they do to Malcolm Fraser. Look what they have done to that leader. Irrespective of what we might think about him, what do they do for Malcolm Fraser? They vilify him. They terrorise him. They put him down. Not once do they look after their leaders. Where do you go to find one political leader on the conservative side that has done anything that they can look up to?

The National Party might have someone like Sir Earl Page or Sir Arthur Fadden. But what about the other non-Labor side of poli-

tics? Where are their heroes? Where are their Curtins? Where are their Chifleys? Where are their Whitlams? Where are their Hawkes? Where are their Keatings? They were the men I followed, those last prime ministers. They were our heroes, and we treat them as heroes. What do you do to your former leaders? You vilify Malcolm Fraser. I remember quite clearly the way they used to snicker about Billy McMahon and about Billy Snedden. What did they say about Gorton? What did they do about him?

Senator McGauran—Who?

Senator HUTCHINS—Exactly. Senator McGauran, you may recall Sir John Gorton was a Prime Minister of this country and head of the Liberal Party. How do they look after their leadership? They do not, because they are petty-minded, little-minded and narrow-minded people. They have no respect for history. You only have to look at the way the Prime Minister is treating his former leaders who are still alive now. I hope he gets to see the way he will be treated. You only have to see the gaping divisions within the Liberal Party now to see how John Howard is going to be remembered when they get the opportunity to write his history.

Look at someone like Ronald Reagan. Ronald Reagan pursued supply-side economics—something which you may say that the Prime Minister has indeed pursued himself. His government cut taxes and reduced inflation, but at the same time they never cut spending. If you look at the 13 March edition of the *Bulletin*, Max Walsh's article quotes the independent Institute of Public Affairs. The Institute of Public Affairs says that the government have increased foreign debt by over \$100 billion since they got into power. They are spending more and they are taxing more than any government in the history of this country, and that is the legacy John Howard will leave. That is the legacy that some of the people over there will try to defend. But I can tell you—as you would know, Mr Acting Deputy President Murphy—that as soon as John Howard is kicked out of office you will have a lot of ragtag rabble people over there trying to bring him down.

I disagree with John Howard on almost everything, but at least I will respect my leader and respect the Prime Minister. The coalition will not. They will go after him. They will take him down peg by peg. You could list now the number of members and senators who will go after him. It goes back to my original point: they have no heroes. They will never have any heroes because of the way they are inward looking. It is only us in the Labor Party who have been able to provide heroes. As flawed as some of them may have been, at least we have our heroes. At least we can look back and say that these men and women made a contribution to our nation. The coalition cannot. They even take apart their most recent leader, Malcolm Fraser. He was almost shown the prime ministerial door. Senator McGauran did not even know who Sir John Gorton was, and then you go back to the rest of them. We are lucky that we can look to heroes in this country. We are lucky that we have our own political heroes in the Labor movement. They have none in the coalition or on the conservative side. They have to look to people overseas, like Ronald Reagan and Margaret Thatcher.

Environment: Water Management

Australian Defence Industries: Proposed Sale

Senator BARTLETT (Queensland) (7.10 p.m.)—I would like to speak tonight on an important environmental issue: water and water management. It is an issue that is becoming crucial, particularly in my home state of Queensland, as we try to avoid repeating the mistakes of other states. My speaking on this issue is particularly appropriate because last Thursday, 22 March was World Water Day. Despite Australia being the driest continent, Australians use more than one million litres of fresh water per person each year, with agriculture accounting for 70 per cent of this, households accounting for eight per cent and electricity and gas accounting for six per cent.

Whilst we watch agriculture divert our rivers and streams to water-hungry crops, the economic return per unit of water is relatively low. The *Water account for Australia*, released last year by the Australian Bureau

of Statistics, can shed some light on what we are doing to the land and water of this continent. While pasture, livestock, grains and other agriculture in the form of irrigated pastures use the most water, rice was the single thirstiest crop per hectare of land in Australia. The agricultural crop whose net water use is the greatest is cotton, due to the sheer size of the area that it covers. Australia is the driest continent on earth. Very little of the rain that does fall finds its way to flowing rivers. Fifty-two per cent of the water consumed in Australia is supplied by mains infrastructure, with the remaining 48 per cent extracted directly from the environment.

In Australia water use has increased by 65 per cent since the 1980s, with the greatest increase, according to the state of the environment report, being in Queensland and New South Wales. Dams are still on the increase, particularly in my home state of Queensland. It seems that we are still at risk of repeating the mistakes of the past in this area. At present we are seeing the proposed expansion of weirs and dams in areas such as the Burnett and Fitzroy catchments. The recent approval by the Beattie government to build the Paradise Dam in the Burnett catchment, made on the first day of the official state election campaign, is a strong indication of the way Mr Beattie wants to take the state of Queensland when it comes to water issues.

The National Land and Water Resources Audit's report, *Australian water resources assessment 2000*, found that Queensland will have over three million hectares at high risk of dryland salinity problems by the year 2050. There is a lot of focus on the agricultural industry's need for water at the expense of the environment. To the Democrats, the ecological outcomes are crucial for the future of agriculture in this country. When we plan water allocations, the environmental flows need to be up there alongside the economic needs in importance, not just put to the end and to whatever is left over.

Water resource plans must have the ecological needs of the water systems rigorously and scientifically determined and allocated, and the economic needs have to fit in with this. Otherwise, we will simply have short-

term economics, with the long-term economic cost far outweighing the short-term gain. Of course, we are seeing that already with salinity problems and other problems in the Murray-Darling Basin and the enormous cost that has to be incurred to fix up those problems and make the land productive. It costs more in the long term to go down this track. It is particularly outrageous when you recognise that many of these activities, such as the dam building activities of the Queensland government, are subsidised by the taxpayer. The taxpayer is spending money to destroy the environment so that we can spend more money again in the future to try to fix it up and address some of the economic damage done to farmers who have to try to work with degraded land. It is completely counterproductive and short-sighted. We know the damage that is caused by such activities now, yet we still have governments wanting to go ahead and do them.

Australia is at a stage in its agricultural life when it is time to say no to bad agricultural expansion choices, to ensure that the broader agricultural industries can survive and prosper. We are a continent that does not have the luxury of abundant water supply and we simply cannot continue to pretend that we do. It is a sustainable choice that we have to make. There is a lot of focus on the Murray-Darling Basin because the problems are already there and they do desperately need addressing. But in Queensland we still have some time to address our water management regimes to avoid the land degradation which has already been experienced lower in the Murray-Darling Basin.

Unfortunately, the Queensland government at this stage refuses to even agree to a cap on water extraction. The government is allowing for further water extraction that will result in environmental flow targets not being met, including in the aforementioned Fitzroy and Burnett catchments. These catchments have also been identified as priority targeted problem areas under the new national action plan for salinity and water quality. Plans to build additional major infrastructure, such as the Nathan Dam and the Paradise Dam, will only intensify the current salinity and water quality problems being

experienced in these catchments. It is bizarre that the Queensland government is seeking federal funding to implement the national action plan at the same time as implementing allocation and management regimes that risk further exacerbating the water quality and salinity problems in these regions.

The Democrats certainly call on the federal government to ensure that taxpayers' money is not put to such negative and destructive purposes, particularly under the pretext of an action plan to address salinity and water quality issues. Both the Paradise Dam and Nathan Dam are proposed to facilitate the expansion of water intensive industries. Despite Mr Beattie trying to portray Queensland as the smart state—certainly that potential is there—we are still running the risk of making some very stupid decisions in this area. Clearly, there is already a problem of overallocation of use of water in the catchment areas in Queensland. A further expansion of dams and other infrastructure in inappropriate locations will only make the problem worse. We do have the chance to turn back before it is too late, before we run into some of the degradation of other areas, and it is crucial that the Queensland government recognises this and steps back from its current course of action.

I saw somewhere recently an astonishing description of Mr Beattie as the greenest political leader in Australia—quite an extraordinary description, given this direction in relation to water issues and continuing disgraceful inaction in relation to land clearing in Queensland, the worst in the country and amongst the worst in the world. On this issue they are managing to run the two together in some respects. The Queensland government has already approved licensing for tree clearing of over 3,000 hectares in the Burdekin catchment to facilitate the development of intensive irrigated agriculture—in this case, cotton development. Clearing land is a big enough problem in itself. In conjunction with developing a water resource plan that will create further intensive use of water, it is hardly a clever approach. The Democrats certainly call on the Queensland government to step back from this path and on the federal government to ensure that there is not federal

cooperation or assistance in such a destructive environmental approach at a time when we are finally limping towards getting some coordinated action on addressing salinity and water quality issues.

In the couple of minutes remaining to me I would like to return to a topic I raised last night, a rally being held out at Penrith this Sunday from 1 p.m.—a public rally specifically aimed at trying to bring together the community to send a clear message to the federal government to keep the former Australian Defence Industries site at St Marys in public ownership. The state government has rezoned this site for development, which frees the federal government and Lend Lease to create Australia's largest ever subdivision on one of the last remnants of Cumberland Plain woodland. Enormous numbers of wildlife inhabit this site and there are important areas of endangered ecosystems that will be under threat. It is an indictment of both the state Labor New South Wales government and the federal government that this clearly preventable action is being allowed to go ahead. Public lands in Defence ownership have been systematically developed to maximise profit with no regard to community opinion, with the department presuming the highest value use for it without any serious evaluation of the environmental, social and other economic opportunities and implications of how it will be used.

Both the state and federal governments are flouting their own environmental legislation by sacrificing hundreds of hectares of some of this last remaining threatened woodland to allow for up to 8,000 homes in the area, including homes and shops in a 178-hectare part in the north-west sector. It will mean a significant environmental impact that should not be allowed to occur, and certainly I encourage everybody to get along who is in the region to lend their support at that campaign at the Joan Sutherland Performing Arts Centre in Penrith at 1 p.m. this Sunday.

Gloucester, New South Wales: Job Losses

Senator TIERNEY (New South Wales) (7.20 p.m.)—I rise tonight as a senator based in the Hunter Valley to speak on a matter that directly affects the towns of the Hunter Valley, particularly the town of Gloucester, where a Dairy Farmers butter factory has just

shut recently with the loss of 36 jobs. The headline in the *Newcastle Herald* on 16 March read 'Death of a town'. This is the second major blow to the town of Gloucester in three years. In mid April, 36 jobs will go from the butter factory. Some workers will take redundancy packages, others will work at Hexham and others will retire. Workers have seen a drop in production of 16 per cent over the last few months and this has meant a milk shortage in the area, which has meant that the Gloucester factory is about to close. Just three years ago the town faced another major blow when Boral timbers closed down, cutting 31 jobs. The payroll for Boral into the town of Gloucester was \$90,000 every month, and that disappeared. Three years later, there is a similar sort of number being put out of work from the Dairy Farmers factory.

The effect that this sort of thing has on rural towns is quite massive: it affects local schools, it affects shops and it affects small businesses, who all feel the strain of a major industry in that town shutting down. For too long now, towns like Gloucester have had to bear the brunt of New South Wales government industry policies. For example, in 1998, the timber industry reforms introduced by the Carr Labor government in New South Wales—as they bowed to green pressure, particularly from city interests—had meant that 31 jobs were lost in the timber industry in a feelgood exercise to preserve so-called old-growth forests and make timber practices more efficient. Three years later, the New South Wales government again voted for dairy deregulation. This meant the introduction of more competition to the industry as a result of lower dairy prices.

The dairy industry in the Hunter is hurting. Unfortunately, the Carr ALP government is sitting on its hands in terms of doing anything about this for the workers who have lost their jobs. The state government ignored the Dairy Farmers announcement that 36 jobs were to go from Gloucester. In fact, the only response we have seen from the state government is from Minister Richard Amery, who made no comment when it came to the closure of the factory of Dairy Farmers in Gloucester. In fact, the state government has been sitting on its hands for some time now

on dairy deregulation, having voted yes to it last year. As a matter of fact, the Western Australian government has put forward a dairy assistance package, and that was done under the former Liberal Premier Richard Court. New South Wales has offered nothing. Dairy farmers in the area are angered by the lack of support from the state government. Now, in their time of need, the state government is nowhere to be seen.

After hearing about the impending closure, I travelled to Gloucester with the Liberal candidate and former member for Paterson Bob Baldwin. We met with the Gloucester Shire Council, the Chamber of Commerce, Dairy Farmers management and the workers at the factory. The Mayor of Gloucester, Barry Ryan, likened the shut-down of the factory to the closure of BHP in Newcastle a few years ago. In terms of scale, both things are comparable. The council were optimistic—and this was one of the heartening things that came out of our visit—that the town could survive this latest blow. They are developing projects and applications for assistance under the Howard government's dairy RAP or dairy assistance package.

Representatives from the federal government's department of agriculture are travelling to Gloucester today to discuss assistance projects to stimulate employment with organisations such as the council. Bob Horne, the member for Paterson, has called for a fund like the Hunter Advantage Fund, which we set up for Newcastle post BHP. But that is not necessary. He obviously has not looked at what the federal government is already offering under the dairy RAP. I was pleased to be able to tell the Gloucester Shire Council that Minister Truss is keen to help the hardest hit towns under dairy deregulation.

Under the dairy assistance program, there are grants of up to \$500,000 available on projects. This includes projects of existing businesses or one-off projects. Across Australia, this is a \$45 million funding package. It is available to communities who have been harshly affected by dairy deregulation. According to the ABARE report, Gloucester and Dungog, which are both in the Hunter Valley, are two districts that have been hard-

est hit by the industry deregulation. With this in mind, the federal minister's office has made the area a priority in terms of federal government assistance.

The Chamber of Commerce is also looking to a range of employment opportunities in the town. During a meeting with the group last week, they highlighted a number of areas where funding assistance could be brought to the town. One idea applied to the federal government funding was the employment of 36 workers on council roadworks and maintenance projects to repair flood damaged bridges for a period of six months. As a stopgap measure such things—while people find a new form of employment and get themselves on their feet again—are quite useful.

A more sustainable idea is the Gloucester snow festival in July. This occurs every year and could do with some additional financial support to make this a centrepiece of tourism in Gloucester. The Gloucester area is very well known for its bushwalking and, of course, it is quite close to the very beautiful Barrington Tops, the second highest peak in Australia. It can, through the Snowfest, generate greater levels of economic development. Last year, the attraction to the town was over 8,000 people, so it was an event that doubled Gloucester's population for the weekend. One of the biggest expenses in this exercise is trucking snow from Barrington Tops to the town. With that and other aspects of the tourism of Snowfest, they certainly need assistance. We have been encouraging them to put in submissions in that regard.

It is very similar to a town that I have also seen thrive with a particular type of industry that suits the area: Tamworth, with the Country Music Festival. The festival certainly more than doubles its population for almost a month in January. They got federal assistance in their case to establish the festival hall—the entertainment centre—which has given such a great boost to country music in Tamworth. We hope that Snowfest, near Barrington Tops in Gloucester, will take on for the winter a very similar sort of theme.

Gloucester Council has come up with a range of projects which will be presented to the departmental reps from the federal de-

partment of agriculture who will be travelling to Gloucester tomorrow night and speaking to the business community there. When we were at the Dairy Farmers factory we had discussions with a number of the workers who had their own ideas on how they would move on to new forms of employment.

One of the workers there is already running a herb farm. He does this on a small scale at the moment. He is quite successful with it. He cannot produce enough. We import \$300 million worth of herb products into this country every year, and they cannot get enough of his product. He even outsources the growing of parsley to people in the town. He could increase his production tenfold. There is one thing he said he needs. There is a lot of grass on his property and he hand mows that. If he just had enough money to buy a ride-on mower, he would be able to expand his herb production. Those sorts of businesses—that have great opportunities for expanding their own business and creating new ones—are what we could be interested in, and we have invited him to put in a submission.

Some of the workers want to start other businesses in the town. We feel that the dairy RAP can give those businesses in towns like Gloucester new hope. The federal government, through this program of regional assistance, is really looking at the economic difficulties created for small towns by rapid economic change. We are there to assist them. We wish them well in the future and we will be keeping an eye on what happens with their new phase of economic development. This federal government is there to assist.

Federal Election: Labor Party Preselections

Senator COONAN (New South Wales) (7.30 p.m.)—It is an interesting but not entirely surprising development that, as we inch closer to the federal election, the true colours of the Labor Party continue to shine through. Last week saw the New South Wales Labor Party hierarchy ignore the wishes of their rank and file members to ensure the preselection of several party hacks into key federal seats. Somewhat predictably, they included ex-union heavyweight, former

ACTU president Ms Jennie George, and Penrith mayor and ex-staffer of Labor Senator Steve Hutchins, Mr David Bradbury.

Bent on their own wisdom, the major ALP players in New South Wales did away with any semblance of grassroots democracy by denying their rank and file members true choice in deciding who should represent them at the next federal election. So far, the Labor Party executive has suspended rank and file preselections and imposed its own chosen candidates in the Sydney-Illawarra seats of Werriwa, where the beneficiary is sitting member Mr Mark Latham; in Throsby, where the candidate is Ms Jennie George; in Fowler, where the beneficiary is sitting member Ms Julia Irwin; in Lindsay, where the anointed candidate is Mr David Bradbury; and in the North Coast seat of Cowper, where Ms Jenny Bonfield got the nod, even though she had not been a member of the party for the required 12 months, and her selection is now the subject of an appeal.

In respect of Throsby and Lindsay, the national executive stepped in for both Ms George and Mr Bradbury to ensure that rank and file preselection candidates would not oust two of Labor's party powerbrokers. Ms George defeated her rival, Ms Sharon Bird, only with the intervention of the national ALP executive. Ms Bird stood in protest at this intervention and suffered an inevitable defeat in the ensuing preselection. This says a great deal about the calibre of these candidates, that they could not even muster the support to go toe to toe with grassroots local candidates unaided by party heavyweights. Ms Bird in Throsby and firefighter cum lawyer Mr Jeff Collins in the electorate of Lindsay are both candidates who had the support of the rank and file Labor members in their electorates. No doubt local ALP members thought that their interests and those of the electorate would be best served by having a local candidate familiar with the electorate and its constituents to represent them.

The lengths to which the Labor Party executive would go to protect Mr Bradbury—the party's prodigal son—are astounding. As a final blow, the ALP branch boundaries in Lindsay were changed so Mr Collins would not have a snowflake's hope in hell of winning. Labor must be really worried about

their chances of winning against the democratically selected, local and outstanding Lindsay Liberal MP, Miss Jackie Kelly. Mr Collins has since—not unexpectedly—lodged a protest, although he has said he does not expect it to get very far. Long before the preselection, Mr Collins predicted senior members of the New South Wales ALP would ‘conspire against his candidature’. He called Mr Bradbury a ‘blow-in’ and pointed the finger at Mr Bradbury’s now former employer, Senator Hutchins, as the person who had orchestrated the heavy-handed campaign. Mr Collins accused Senator Hutchins of effectively ‘forcing’ the New South Wales ALP to hold off calling a rank and file preselection for the benefit of his protege. Mr Bradbury must be thanking his lucky stars he has such powerful friends. He has gone pretty far without ever having to subject himself to a vote from his party’s rank and file for preselection in the federal seat of Lindsay.

The recent Lindsay preselection smacks a little of the much reported preselection contest in Robertson, and Ms Belinda Neal’s attempt to overcome the resistance of local rank and file Labor members. In typical Labor Party style, it seemed to be assumed that family connection or party patronage would be sufficient to overcome the wishes of the local rank and file. While Labor’s bluster about petrol prices, the GST and their incoherent roll-back plan is well recognised but are transparent attempts to inflate public concern with misinformation and to hide the fact that they are a policy lazy and opportunistic opposition, it seems now they are hell-bent on applying the same illogic to their internal party affairs.

Labor’s move to suspend rank and file preselections and impose outsiders on unwilling locals does not bode well for Australia should the opposition fluke their way into government at the next election. Perhaps the internal politics of the Labor Party that were displayed last week should be the true litmus test of how Labor would perform if they had the chance to govern the country. The Australian people should take heed. Events of late have shown the Labor Party would never listen to the Australian people if elected to government. The rights of ordinary Australia-

lians would be trampled under the feet of the elite—those with connections or relatives in the Labor hierarchy or noisy special interest groups. If the party cannot even listen to and heed the concerns of their rank and file members in their preselections across New South Wales, how will they ever listen to the voting public? The Australian public could expect nothing less than arrogant rule under a Labor government—forget about the wishes of the people.

Against the background of his own preselection, it is diverting to learn that Mr Bradbury accused the Howard government of being ‘out of touch’ with the needs of the people. Few actions can be more profoundly out of touch with the needs of people than to deny them their democratic right to participate in a vote for whom they want to represent them. But can we really expect much out of a blow-in Labor candidate in Lindsay like Mr Bradbury, or Ms George in Throsby, when the Leader of the Opposition, Mr Kim Beazley, appears incapable of independent thought or policy formulation?

Earlier this week, we were given a great insight into the policy formulation strategy of the Labor Party: pinch it from someone else. I suppose we should be grateful that the opposition have even managed to come up with a policy—albeit a hot one flogged from the Australian Banking Association—let alone a costing. Mr Beazley put it best, I think, when on ABC radio last week his increasing frustration about claims that Labor have no policies led to this gaffe:

...I am getting heartily sick of the accusations being developed against us that we have no policy when, at the same time, people are saying how can you afford your policies. If you don’t have any policies, the issue of how you can afford them doesn’t come up.

While I think we can all agree the devil is certainly in the detail, without concrete policies it is unlikely that costing them will ever become an issue for the Labor Party.

The ineptitude and policy laziness of this opposition was clearly exposed on Monday in the scramble to upstage the ABA and release an uncannily similar policy on banking. In contrast, this government has been working for some time now alongside the banks to deliver low cost services, particularly to

pensioners. The results of those discussions partly formed the ABA briefing which was delivered into the hands of the Labor Party last Friday. The Labor Party then promptly turned around and made it their own during Monday's announcement.

This is the clearest indication yet of the extent to which the Labor Party will go to disguise the fact that they are bereft of ideas and incapable of sustained policy development for an appropriated Labor Party policy puts aside a mere \$20 million for the reopening of closed banks. As the Treasurer, Mr Peter Costello, said this morning, that would not even open one in 10 branches that were closed in the last three years of Labor government.

ment. The only element of Labor's banking policy which did not have its origins in the ABA's platform was a proposal to reopen banks which had been previously closed. In the last three years of Labor government, 500 bank branches were closed without a protest, a bleat or a squeak out of the then government. If you wanted to reopen them, the estimated cost would be \$250 million to \$300 million per year. The first costing we

To be fair, the Labor Party do excel in some areas. As long as it involves playing catch-up on policy, manipulating hapless local ALP members or parachuting in a chosen interloper, they have proven their worth. The Australian people, however, deserve better.

Senate adjourned at 7.40 p.m.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Civil Aviation Safety Authority: Staff (Question No. 2537)

Senator O'Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 29 June 2000:

With reference to the Minister's announcement, reported in the *Australian* on 23 June 2000, that the Civil Aviation Safety Authority is to receive 20 additional staff for surveillance and enforcement activities:

- (1) Will the people filling these new positions be engaged on a full time basis.
- (2) When will the positions be advertised.
- (3) How many of the positions will be located in the following divisions: (a)Aviation Safety Standards; (b)Aviation Safety Compliance; (c)Aviation Safety Promotion; and (d)Regulatory Services.
- (4) What are the job specifications for each of the positions, and in each case, what are the position numbers.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator's question:

The Civil Aviation Safety Authority (CASA) has provided the following advice:

- (1) The new positions will be held on a full-time basis.
- (2) All of the positions have been advertised. However, position numbers 1727, 1731 and 1721 (see below) are currently in the process of being re-advertised.
- (3) The Article in *The Australian* on 23 June 2000, stated that CASA was "expected to gain about 20 extra Compliance staff.....". All the positions will be located in the Aviation Safety Compliance Division. However, when the final organisational charts were determined the end figure for this Division became 17 staff. The new staff will be located as follows:

Darwin office, 5 positions

International Surveillance Unit, 5 positions

Melbourne Airline office, 2 positions

Sydney Airline Office , 2 positions

Technical staff to support Airline Offices, 3 positions

- (4) As at 12 February 2001, the position numbers and job specifications for each of the 17 positions are as follows:

Position Number (PN)1679 – Manager – Northern Territory and Kimberley Area Office – Successful applicant commenced;

PN 1729 – Administrative Services Office Grade 3 - Northern Territory and Kimberley Area Office – Interviews held for position;

PN 1730 - Administrative Services Office Grade 6 - Northern Territory and Kimberley Area Office - Successful applicant to commence 23 February 2001;

PN 1734 – Flying Operations Inspector Level 1 - Northern Territory and Kimberley Area Office – Advertised January 2001;

PN 1735 – Airworthiness Officer Grade B – Northern Territory and Kimberley Area Office – Successful applicant commenced;

PN 1725 – Manager – International Surveillance Unit – Advertised January 2001;

PN 1734 – Flying Operations Inspector Level 1 - International Surveillance Unit – Successful applicant commenced;

PN 1723 – Senior Officer Grade B - International Surveillance Unit – Successful applicant commenced;

PN 1727- Airworthiness Officer Grade B– International Surveillance Unit -Successful applicant declined position, position to be re-advertised;

PN 1728 – Administrative Services Office Grade 5 - International Surveillance Unit – Position being short listed;

PN 1733 – Flying Operations Inspector Level 3 –Melbourne Airline Office – Successful applicant commenced;

PN 1615 – Airworthiness Officer Grade B –Melbourne Airline Office – Successful applicant commenced;

PN 1731 – Flying Operations Inspector Level 3 – Sydney Airline Office – Preferred applicant accepted an alternate position, position re-advertised February 2001;

PN 1532 – Airworthiness Officer Grade B – Sydney Airline Office – offer made to successful applicant;

PN 1719 – Airworthiness Officer Grade B –Engineering – Successful applicant commenced;

PN 1720 – Airworthiness Officer Grade B –Engineering – Successful applicant negotiating start date;

PN 1721 – Airworthiness Officer Grade B –Engineering – Position re-advertised February 2001.

**Transport and Regional Services Portfolio: Legal Advice
(Question No. 3367)**

Senator Robert Ray asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 29 January 2001:

- (1) What has been the total cost to the department in the 1999-2000 financial year of legal advice obtained from the Attorney-General's Department.
- (2) What has been the total cost to the department in the 1999-2000 financial year of legal advice obtained by the department from other sources.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator's question:

(1) and (2)

In responding to the question the phrase "total cost" has been taken to include legal related disbursements, as well as professional fees. The phrase "legal advice" has been taken to include all legal related services, including court appearances.

The total cost to the department in the 1999-2000 financial year of legal advice obtained from the Attorney-General's Department was \$15,338.00.

The total cost to the department in the 1999-2000 financial year of legal advice obtained from other sources was \$1,866,289.43. This includes advice obtained from the Australian Government Solicitor which cost \$1,563,565.91.

The total does not include the cost of legal advice provided to the Department by the Department's own legally qualified employees.

**Defence Portfolio: Value of Market Research
(Question No. 3390)**

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 29 January 2001:

- (1) What was the total value of market research sought by the department and any agencies of the department for the 1999-2000 financial year.
- (2) What was the purpose of each contract let.
- (3) In each instance: (a) how many firms were invited to submit proposals; and (b) how many tender proposals were received.
- (4) In each instance, which firm was selected to conduct the research.
- (5) In each instance: (a) what was the estimated or contract price of the research work; and (b) what was the actual amount expended by the department or any agency of the department.

Senator Minchin—The Minister for Defence has provided the following answer to the honourable senator's question:

(1) The Department of Defence spent \$703,530 on market research in the 1999-2000 financial year.

(2) Purpose of Contract	(3)(a) Number of Firms invited to Tender [Done Prior to FY 99-00]	(3)(b) Number of Tender Proposals Received	(4) Firm Selected to Conduct Research	(5)(a) Estimated or Contract Price of Research	(5)(b) Actual Amount Paid
Review of external communications.	Open Tender	5	Buchan Communications Group	\$130,000	\$120,000
Defence White Paper communication strategy.	Open Tender	1	Buchan Communications Group	\$80,000	\$80,000
Community attitudes towards Defence and Defence Industry related issues.	Open Tender	1	Market Attitude Research Services	\$60,000	\$45,000
Evaluation of communication impact of Defence exhibition at 2000 Royal Easter Show, Sydney.	Open Tender	1	Market Attitude Research Services	\$3,800	\$3,800
Army General Entry Non-Technical television commercial study	Restricted Tender	1	Advertising Development Solutions	\$34,480	\$34,480
Lifestyle advertising study.	Restricted Tender	1	Advertising Development Solutions	\$34,480	\$34,480
Navy General Entry television commercial study.	Restricted Tender	1	Advertising Development Solutions	\$34,480	\$34,480
ADF lifestyle research study – round one.	Restricted Tender	1	Advertising Development Solutions	\$26,860	\$26,860
ADF lifestyle research study – round two.	Restricted Tender	1	Advertising Development Solutions	\$8,950	\$8,950
ADF lifestyle research study – round three.	Restricted Tender	1	Advertising Development Solutions	\$8,950	\$8,950
Navy television commercial research study.	Restricted Tender	1	Advertising Development Solutions	\$17,600	\$17,600
ADF aircrew television commercial study.	Restricted Tender	1	Advertising Development Solutions	\$19,400	\$19,400
ADFA television commercial study.	Restricted Tender	1	Advertising Development Solutions	\$8,950	\$8,950
ADF tri-Service television commercial study.	Restricted Tender	1	Advertising Development Solutions	\$8,700	\$8,700
Royal Military College research study.	Restricted Tender	1	New Focus Research Pty Ltd	\$60,833	\$60,833
RAAF Ground Defence Reserve Group study.	Restricted Tender	1	New Focus Research Pty Ltd	\$16,834	\$16,834
Defence tracking study.	Restricted Tender	1	New Focus Research Pty Ltd	\$15,264	\$15,264
Project Opera analysis.	Restricted Tender	1	New Focus Research Pty Ltd	\$2,500	\$2,500
Impact of the East Timor operation on business in the Northern Territory.	Restricted Tender	1	New Focus Research Pty Ltd	\$103,215	\$42,213
Maintenance of a communications and change management strategy for business process re-engineering.	Restricted Tender	1	PricewaterhouseCoopers	\$114,236	\$114,236
				\$789,532	\$703,530

Note:

- (3) All of these contracts sought and/or let in 1999-200, other than the first one, were "single source" contracts, chosen on the basis of earlier public tenders (open or restricted) during the period prior to FY 1999-2000 and from which these contractors had been chosen as long-term Professional Service Providers' to the Department of Defence.

Indonesian Military Personnel: Training
(Question No. 3428)

Senator Bourne asked the Minister representing the Minister for Defence, upon notice, on 19 February 2001

With reference to the training of Indonesian military personnel by Australia:

- (1) Can the Minister confirm whether junior personnel from the Indonesian military are going to be, or have been, trained by Australia in defence management as reported in the Asia-Pacific Defence Reporter, August/September 2000; if so, where and when will this training take place.
- (2) What will be the course content of this defence training management.
- (3) Will human rights training be part of the management course.
- (4) Does the Government have any intention of ceasing such military cooperation given evidence of the TNI (Indonesian armed forces) being involved in unrest in areas such as Ambon, Aceh and West Papua.

Senator Minchin—The Minister for Defence has provided the following answer to the honourable senator's question:

- (1) Two junior TNI officers participated in the Defence Management Seminar (DMS), which was conducted in October 2000. Indonesia is asked to provide three nominees for each iteration of the DMS. Three TNI officers also participated in the February 2001 iteration of the DMS.
- (2) The Seminar is a biannual event usually held each year in February and October. Approximately 30 participants from ASEAN, Pacific nations and Australia attend a two-week program of lectures and workshops in Canberra.

Sponsored by the International Policy Division's Defence Cooperation Program, the DMS has been conducted twice a year since 1992, and approximately four hundred personnel around the Major, Lieutenant Colonel/Colonel (equivalent) level have attended. Thailand, Singapore, Indonesia, New Zealand, Tonga, Fiji, Papua New Guinea, Philippines, Malaysia, and recently Vietnam, Cambodia and Laos send participants who join colleagues from Australia. Directed by Professor Charles Newton from the Australian Defence Force Academy, the seminar revolves around the development and delivery of defence capability/project management.

The DMS allows participants to build networks which facilitate cooperation in future years, and many genuine friendships have been formed. It also gives them insight into the way Australia manages defence processes and outcomes, particularly following the economic downturn in our region, and the recent success of coalition forces in security roles such as East Timor.

The presentations by senior departmental officers, participation by Australian Defence organisation personnel, and discussions on relationships between Australia and neighbouring countries demonstrate to our visitors the value we place on their attendance.

- (3) No.
- (4) No. The bilateral defence cooperation program with Indonesia has at no point in time ceased to exist. We have continued to focus on providing training to the TNI in areas including education, health and safety and non-combat related fields.

Transport Safety: Seat Belts on School Buses
(Question No. 3434)

Senator Brown asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 23 February 2001:

Following the tragic bus accident at Cradle Mountain, Tasmania, on 18 February 2001, in which four people were killed, and recognising the value of the youngest members of our community who travel in

buses daily, will the Minister support the installation of seatbelts in school buses; if so, what action will the Minister take to ensure that seat belts are installed in school buses Australia-wide.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator's question:

A comprehensive review of school bus safety issues has been conducted by Austroads (the association of Australasian road and safety agencies) at the request of the Australian Transport Council (ATC). Austroads was requested to:

- review current practice and research in relation to school bus safety; and
- identify new or proven safety measures that may be used as part of a national approach to school bus safety.

The Austroads report is expected to address a wide range of issues including the installation of seat belts. It is scheduled for consideration by Federal, State and Territory Transport Ministers at the next ATC meeting, on 25 May 2001.

Without pre-empting the findings of the Austroads review or the response of Transport Ministers, I can provide some background facts and comment that are relevant to the Senator's question:

- Bus and coach travel in Australia has an extremely good safety record. In terms of fatalities and serious injuries per distance travelled, it is about ten times safer to travel in a bus than in a car. Even without a seat belt, a bus passenger is generally safer than a belted car occupant. This is not only because bus drivers have a lower rate of crash involvement than car drivers, but also because the size and mass of a bus substantially reduce the injury risk to passengers in the event of a crash.
- For school children travelling by bus, the major safety issue by far is the risk of being hit by a car after alighting from the bus and attempting to cross the road.
- Despite the relative safety of bus and coach travel, Federal Governments have taken steps to make this mode of transport even safer. For example, the Australian Design Rules for new vehicles were amended to require all new long distance coaches to be fitted with seat belts, as well as improved floor structures, emergency exits and rollover protection. Separate legislation was also introduced to mandate seatbelts for smaller buses from January 2000.
- For vehicles already in service, the responsibility for setting standards lies with State and Territory Governments. However, a few years ago the Federal Government did investigate the scope for fitting seat belts to existing buses and coaches. The study concluded that retro-fitting would not be feasible for many older vehicles because of the major structural changes that would need to be made. Even for newer vehicles modification would not be a simple option and would be very costly.
- If Governments mandated seatbelts for existing buses it could lead to a significant increase in the cost of bus transport, and a reduction in the number of available buses. This might have the undesirable effect of driving many passengers away from bus travel to less safe alternatives, such as private cars.
- Subsidising the retro-fitting of in-service vehicles, or their replacement with new buses, could be a poor use of public funds compared to alternative road safety investments such as black spot treatments.