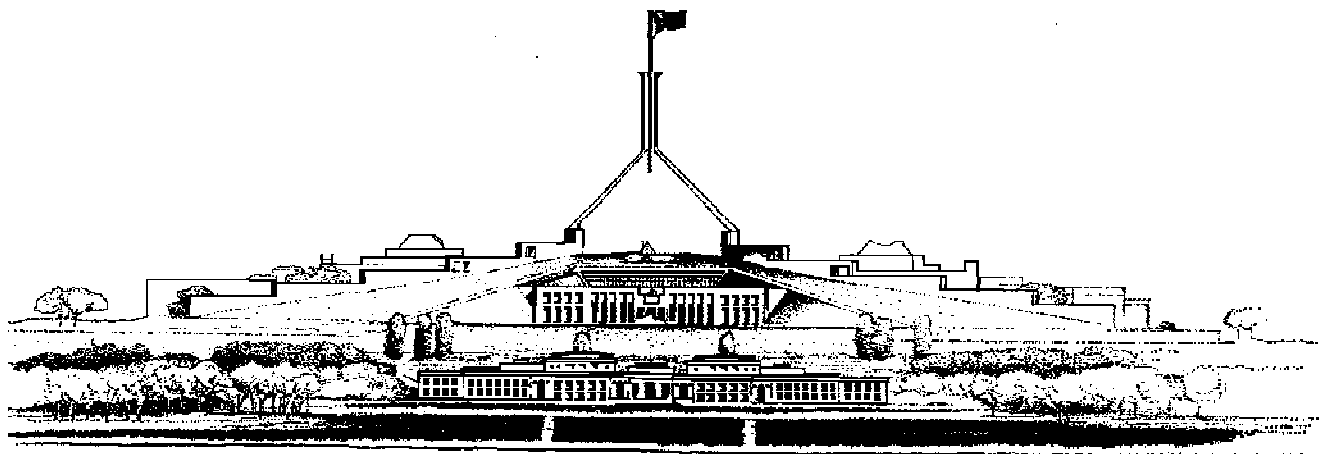




COMMONWEALTH OF AUSTRALIA
PARLIAMENTARY DEBATES



**HOUSE OF
REPRESENTATIVES**

Official Hansard

THURSDAY, 30 MAY 1996

THIRTY-EIGHTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
CANBERRA

CONTENTS

THURSDAY, 30 MAY

Plagiarism	1809
Customs Amendment Bill 1996—	
First Reading	1809
Second Reading	1809
Customs Tariff Amendment Bill (No. 1) 1996—	
First Reading	1812
Second Reading	1812
Migration Legislation Amendment Bill (No. 1) 1996—	
First Reading	1813
Second Reading	1813
Social Security Legislation Amendment (Newly Arrived Resident's Waiting Periods and Other Measures) Bill 1996—	
Consideration in Detail	1813
Third Reading	1827
Workplace Relations and Other Legislation Amendment Bill 1996—	
Second Reading	1827
Committees—	
Corporations and Securities Committee—Consideration of Senate Message	1854
Questions Without Notice—	
Budget Deficit	1862
Current Account Deficit	1863
National Accounts Figures	1864
Budget Deficit	1864
Budget Deficit	1865
Financial System	1866
Higher Education Funding	1867
National Day of Action	1867
Higher Education Funding	1869
Paedophile Inquiry	1869
Distinguished Visitors	1870
Questions Without Notice—	
Paedophile Inquiry	1870
Regional Security	1871
Higher Education Funding	1872
Australian Customs Service	1872
Banking	1873
Training Packages and Wages	1873
Higher Education Funding	1874
Department of Administrative Services	1875
Research Funding	1875
Legislative Program	1877
Personal Explanations	1878
Questions to Mr Speaker—	
Answering of Questions	1881
Personal Explanations	1881
Questions to Mr Speaker—	
Withdrawal of Offensive Remarks	1881
Interruption of Speeches	1881
Papers	1882
Officer Education in The Military	1882
Matters of Public Importance—	
Scientific Research and Human Resource Development	1882
Therapeutic Goods Amendment Bill 1996—	
Main Committee Report	1894
Third Reading	1894
Committees—	
Membership	1894

CONTENTS—continued

Broadcasting of Parliamentary Proceedings, Joint Committee—Membership	1894
Membership	1894
Bills Returned from The Senate	1894
Sydney 2000 Games (Indicia and Images) Protection Bill 1996— First Reading	1894
Australian Sports Drug Agency Amendment Bill 1996— First Reading	1895
Parliamentary Contributory Superannuation Amendment Bill 1996— First Reading	1895
Second Reading	1895
Committees—	
Corporations and Securities Committee—Consideration of Senate Message	1895
Electoral Matters Committee—Consideration of Senate Message	1898
Foreign Affairs, Defence and Trade Committee—Consideration of Senate Message	1898
Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee—Consideration of Senate Message	1900
National Crime Authority Committee—Consideration of Senate Message	1900
National Capital and External Territories Committee—Consideration of Senate Message	1901
Migration Committee—Consideration of Senate Message	1902
Treaties Committee—Consideration of Senate Message	1903
Ministers of State Amendment Bill 1996	1906
Adjournment—	
Textile, Clothing and Footwear Industry	1906
Television Programs	1907
National Reconciliation Week	1908
Sisters of St Paul de Chartres	1909
Notices	1911
Therapeutic Goods Amendment Bill 1996— Second Reading	1913
Questions On Notice—	
Shareholdings—(Question No. 22)	1923
Australian National Line—(Question No. 26)	1924
Export Assistance—(Question No. 54)	1924
Department of Administrative Services Staff: Electoral Division of Newcastle—(Question No. 83)	1925
Sporting Clubs and Organisations: Commonwealth Funding—(Question No. 105)	1925
RAAF Williamtown: Personnel—(Question No. 150)	1925

Thursday, 30 May 1996

Mr SPEAKER (Hon. R. G. Halverson OBE) took the chair at 9.30 a.m., and read prayers.

PLAGIARISM

Mr SPEAKER—Yesterday the member for Cowan (Mr Richard Evans) suggested that a speech he had given should be expunged from *Hansard*. I said I would give the proposal due consideration and report to the House. The second edition of *House of Representatives Practice* records:

Since 1904, the practice that interjections to which the Member addressing the Chair does not reply ought not to be included in the *Hansard* record has been followed. The Chair has ruled that questions ruled out of order should not be included in *Hansard*. The Chair has a responsibility to ensure that no objectionable material is included in the debates. Exceptionally, offensive remarks ordered to be withdrawn have been deleted from the records.

As I noted yesterday, the House censored its own debates during both World War I and World War II. Unless there are truly exceptional circumstances, I do not believe that the House should consider expunging material from the *Hansard* report.

Furthermore, little would be gained by deleting the honourable member's speech as the debate regarding its deletion would still remain on the record and the *Daily Hansard* has already been published. Whilst recognising that the member's offer to have the speech deleted was made in good faith, I do not propose to order its deletion from *Hansard*.

CUSTOMS AMENDMENT BILL 1996

First Reading

Bill presented by **Mr Moore**, and read a first time.

Second Reading

Mr MOORE (Ryan—Minister for Industry, Science and Tourism) (9.33 a.m.)—I move:

That the bill be now read a second time.

The Customs Amendment Bill 1996 introduces changes to part XVA of the Customs Act

1901 in relation to the tariff concession system and to by-laws and determinations relating to certain policy by-laws under sections 271 and 273 of the act.

Tariff Concession System

The changes to the tariff concession system stem from an evaluation conducted in 1995 which found that, while the system was making concessions readily available to importers, Australian manufacturers were being adversely affected by its operation. It concluded that tariff concession orders should only be made where there is no Australian manufacturer of goods substitutable for those imported. This position was accepted by the former government, and the tariff concession system changes in this bill are essentially as they were announced last year. The purpose of these changes is to more closely align the operation of the system with its aim to make concessional entry readily available without adversely affecting the tariff assistance given to Australian manufacturers.

I will now outline the amendments contained in this bill in more detail. The most important change is the removal of the significant adverse effect clause, the so-called market test, from the core criteria. This occurs in item 4 on page 4 of the bill. In practice, the existence of the market test has meant that tariff concession orders have been granted to the detriment of Australian manufacturers, contrary to the stated intention of the system. It is, in any case, very difficult for an Australian manufacturer to prove prospectively that the market for its good will be adversely affected by the duty-free importation of a substitutable good.

In 1991, when the Industry Commission reviewed the predecessor of the current system, the commercial tariff concession system, it recommended against the inclusion of a market test. Once the market test has been removed, the remaining core criterion will be the substitutability test. The Australian Customs Service will not grant a tariff concession order where it is satisfied that substitutable goods are produced in Australia. A concession will therefore only be made where there is no Australian manufacture of goods substitutable for those which are the subject

of the tariff concession application. The definition of 'substitutable goods' is also qualified in item 3 on page 3 of the bill to ensure that a de facto market test cannot be implied into this remaining provision. Without this change, the benefits of removing the market test are unlikely to be achieved.

The system to date has placed a considerable burden on Australian manufacturers to prove that they produce substitutable goods and that the importation of goods under the tariff concession order would cause significant adverse effect to them. In future, the onus for demonstrating that there are no substitutable goods produced in Australia will rest, in the first instance, with the applicant for the tariff concession order. It will be the responsibility of the tariff concession order applicant to research the existence or otherwise of Australian manufacturers of substitutable goods prior to lodgment of the application with Customs. If the application does not adequately establish that the research has been done, Customs will reject it as not meeting the requirements of the legislation. This appears in items 7 and 8 on pages 4 and 5 of the bill.

The application will also have to provide the name of the importer seeking the concession. The importer's broker or agent's name only will not suffice. These details will also be gazetted, consistent with the requirement already in existence to notify applicants of the names of Australian manufacturers claiming they produce substitutable goods. Item 9 on page 5 of the bill refers to this.

It is important that in processing applications, Customs be able to utilise the considerable knowledge of bodies such as industry associations and other prescribed organisations in determining whether substitutable goods are produced in Australia. The information contained on the application form will therefore be made available to such organisations for this purpose. Item 12 on page 7 of the bill refers to this.

The time allowed for applicants to propose amendments to their application will be extended from 14 days to 28 days in item 10 on page 6 of the bill. Such amendments will, however, be limited to narrowing the description of the goods within the tariff classifica-

tion cited in the application. The amended wording will be gazetted, with objections allowed for up to 14 days after gazettal. If, however, Customs is not satisfied that the amended wording meets the requirements, the proposal will not be accepted and the application will be processed with its original wording as if no amendment had been suggested.

The present legislation requires the Attorney-General's Department to provide advice on the correct tariff classification in case of error. However, in recognition that Customs is the expert agency in the area of tariff classification, Customs, rather than the Attorney-General's Department, will in future determine the correct tariff classification. This is accommodated in items 13 and 26 on pages 7 and 9 of the bill.

I turn now to the date on which a tariff concession order becomes effective. The present legislation allows the commencement date of a tariff concession to be backdated to 28 days before the lodgment of the application. This is a carryover of a provision in the commercial tariff concession system which was terminated in 1992. There is now no rationale for backdating tariff concession orders, and items 16 to 23 on pages 7 and 8 effectively remove this. Making orders operative from the date of lodgment of applications should encourage importers to lodge applications earlier.

This bill will also enable Customs to commence revocation action for tariff concession orders where there are Australian manufacturers of substitutable goods, and where the orders have not been used for at least two years; that is, they are obsolete. Revocation of commercial tariff concession orders will also be considered under the new tariff concession system criteria. Items 24 and 25 on pages 8 and 9 give effect to this change.

The definition of 'made to order capital equipment' will be amended to allow concessions only for equipment made on a one-off basis to meet a specific order rather than being the subject of regular or intermittent production, and to exclude goods made as a result of production runs.

Customs decisions with respect to the tariff concession system will remain subject to

review by the Administrative Appeals Tribunal. However, amendments in item 31 on pages 10 and 11 of the bill will limit persons who have standing to appeal to the AAT to those directly involved in the decision; that is, the applicant and those who have lodged submissions with Customs. Customs will be required to gazette any application to the AAT. A person wishing to be joined as a party to the AAT proceedings must apply to the AAT within 60 days of the gazettal notice or satisfy the AAT that they were not reasonably able to apply within the 60-day period.

Any document on which a party intends to rely at the AAT hearing must be filed with the AAT and served on the other parties not less than 28 days before the date set for hearing unless the AAT otherwise orders. In considering whether to make such an order, the AAT will consider whether there was a reasonable cause for the material not being available 28 days before the hearing. These changes should ensure that the external review process is not subject to unreasonable delay and excessive costs.

The proposed changes will also ensure in items 32 and 33 on pages 11 and 12 of the bill that tariff concession orders remain generally available by requiring the description of the goods for which the tariff concession order is to apply to be generic. Where either directly or by implication an application is for goods of a particular brand name, model, or part number, that application will now be rejected.

I turn now to transitional arrangements for the tariff concession system which are covered in detail in part 2 of schedule 1 of the bill. All applications lodged with Customs but which have not been decided on the day these changes come into effect will be decided under the present legislation, that is, the legislation in force before these amendments come into effect.

However, if the application is for goods which are substitutable for goods manufactured in Australia and the application is successful because of the operation of the market test, the tariff concession order will be valid only up to the day that these amend-

ments come into force. This appears in item 37 of page 13 of the bill.

Decisions referred to Customs for internal review or to the AAT or which are on appeal to the Federal or High Court in relation to applications for orders lodged before the commencement of these amendments, are to again be decided under the present legislation. Any orders made, however, where the market test results in a tariff concession order being granted will be taken to have been revoked from the date the changes come into effect.

I turn now to changes to the policy by-law system.

Policy By-law System

The policy by-law system relates are those concessions which apply to items 43, 45, 46, 47, 52, 55, 56, 57, and 60 of schedule 4 of the Customs Tariff Act 1995. The government announced its reforms to the policy by-law system in a press release on 8 May 1996. The changes will revamp and streamline the administration of the policy by-law system.

Concessions under items 43 and 52 will be restricted to concessional entry for the split consignment of whole goods unable to be transported on a single vessel or aircraft because of the size of the good or because of an inadvertent delay in shipment. Consistent with past practice, the Chief Executive Officer of Customs will publish guidelines in the form of an Australian customs notice, setting out new guidelines for persons wishing to seek concessions under these by-laws.

The guidelines will implement the reforms announced by the government on 8 May 1996, including the provision of concessions under items 45, 46 and 56 for projects with a capital equipment value of more than \$10 million. Accordingly, concessions under items 43, 45, 46, 52 and 56 of Schedule 4 of the Customs Tariff Act 1995 will be revoked on the day this bill comes into force. This appears in item 42 on pages 19 and 20 of the bill.

Any request for a concession under these items which has not been finalised on the day this bill comes into effect will be considered under the new guidelines. Transition provisions in item 43 on pages 20 and 21 of this

bill will preserve access to a revoked policy by-law concession for these five items:

- 1) goods which have been imported on or before the date of revocation, provided they are entered within 28 days of the date of the revocation of the policy by-law; or
- 2) goods on direct shipment to Australia before the date of revocation of the policy by-law, provided they are entered within 28 days of importation; or
- 3) goods which are made to order capital equipment, as defined for the tariff concession system and amended by this legislation, provided such goods are imported and entered under one of these policy by-law items until 15 February 1997.

FINANCIAL IMPACT STATEMENT

The amendments proposed in this bill will result in the following savings to revenue:

A) Tariff concession system changes

The proposed changes to the tariff concession system in part XVA of the Customs Act, and in particular the removal of the market test from the core criteria and the new revocation facility for existing tariff concession orders and commercial tariff concession orders, will result in revenue savings of:

1996-97—\$92M
 1997-98—\$105M
 1998-99—\$119M
 1999-00—\$131M

B) Policy by-law system changes

The proposed revocation of the five policy by-law items and the introduction of the revised criteria against which requests for concessions under these items will be considered will result in revenue savings of:

1996-97—\$29M
 1997-98—\$32M
 1998-99—\$34M
 1999-00—\$37M

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

Debate (on motion by **Mr Crean**) adjourned.

CUSTOMS TARIFF AMENDMENT BILL (No. 1) 1996

First Reading

Bill presented by **Mr Moore**, and read a first time.

Second Reading

Mr MOORE (Ryan—Minister for Industry, Science and Tourism) (9.48 a.m.)—I move:

That the bill be now read a second time.

The Customs Tariff Amendment Bill (No. 1) 1996 proposes tariff rate changes consequential on the substantial administrative and legislative reforms to both the tariff concession system and the policy by-law system contained in the previously referred to bill, the Customs Amendment Bill 1996.

This tariff bill introduces changes to the Customs Tariff Act 1995 to amend from free to three per cent the concessional duty rate applying to tariff concession orders under part XVA of the Customs Act 1901, item 19 and item 50 of schedule 4 to the act, and to policy by-law items 47, 55, 57 and 60 of schedule 4 of the act.

FINANCIAL IMPACT STATEMENT

The amendments proposed in this bill will result in the following savings to revenue:

A) Tariff Concession System changes

The proposed rate changes for items 19 and 50 will result in revenue savings of:

1996-97—\$338M
 1997-98—\$358M
 1998-99—\$393M
 1999-00—\$413M

B) Policy By-law changes

The proposed rate changes for items 47, 55, 57 and 60 will result in revenue savings of:

1996-97—\$18M
 1997-98—\$20M
 1998-99—\$21M
 1999-00—\$23M

I commend the bill to the House and present the explanatory memorandum to this bill.

Debate (on motion by **Mr Crean**) adjourned.

**MIGRATION LEGISLATION
AMENDMENT BILL (No. 1) 1996**

First Reading

Bill presented by **Mr Ruddock**, and read a first time.

Second Reading

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs) (9.51 a.m.)—I move:

That the bill be now read a second time.

The purpose of this bill is to amend part 3 of the Migration Act 1958, which provides for the registration of migration agents. The bill amends subsection 333(1) of part 3 of the Migration Act which contains a sunset clause whereby the migration agents registration scheme will terminate on 21 September 1996, after having operated for four years, unless extended.

Members will be aware that the scheme was reviewed by the Joint Standing Committee on Migration which reported in June 1995. That report recommended that the scheme be extended. The government has yet to consider and address all of the elements of that report.

The proposed one-year extension of the registration scheme until 21 September 1997 will provide time for the government to further review the scheme, having regard to the prospect for enhanced self-regulation by the migration advice industry. I commend the bill to the House and present the explanatory memorandum to the bill.

Debate (on motion by **Mr Kerr**) adjourned.

**SOCIAL SECURITY LEGISLATION
AMENDMENT (NEWLY ARRIVED
RESIDENT'S WAITING PERIODS AND
OTHER MEASURES) BILL 1996**

Consideration in Detail

Consideration resumed from 23 May.

Bill—by leave—taken as a whole.

Mr KERR (Denison) (9.52 a.m.)—by leave—I move:

- (1) Clause 2, page 2 (lines 4 to 7), omit subsection (2).
- (2) Schedule 1, item 7, page 4 to page 5, omit paragraphs (a), (b), (c), (h), (i), (j), (l), (m),

(n), (o) and (p) of the definition of newly arrived resident's waiting period.

- (3) Schedule 1, item 8, page 5 (lines 24 to 28), omit the item.
- (4) Schedule 1, item 9, page 5 (lines 32 and 33), omit subparagraph (aa).
- (5) Schedule 1, item 9, page 6 (lines 3 and 4), omit the item.
- (6) Schedule 1, item 10, page 6 (lines 5 to 9), omit the item.
- (7) Schedule 1, item 11, page 6 (line 14, omit "and 739A").
- (8) Schedule 1, item 11, page 6 (line 16, omit "and 771HNA").
- (9) Schedule 1, item 12, page 6 (lines 19 to 31), omit the item.
- (10) Schedule 1, Division 2 of Part 1, page 7 (lines 1 to 28), omit the Division.
- (11) Schedule 1, Division 3 of Part 1, page 8 (lines 1 to 12), omit the Division.
- (12) Schedule 1, Division 4 of Part 1, page 8 (line 18) to page 9 (line 31), omit the Division.
- (13) Schedule 1, item 22, page 10 (lines 2 and 3), omit the item.
- (14) Schedule 1, item 25, page 10 (line 13) to page 11 (line 10) omit the item, substitute:

25 Subsection 541C(3)

Repeal the subsection, substitute:

- (3) If subsection (2) does not apply, the newly arrived resident's waiting period ends:
 - (a) if a person:
 - (i) entered Australia; and
 - (ii) was granted a permanent visa;

before the day on which this subsection commences—26 weeks after whichever of the events referred to in subparagraphs (i) and (ii) happened last; or
 - (b) if a person:
 - (i) entered Australia; and
 - (ii) was granted a permanent visa;

on or after the day on which this subsection commences—104 weeks after whichever of the events referred to in subparagraphs (i) and (ii) happened last; or
 - (c) if a person:
 - (i) entered Australia before the day on which this subsection commences and
 - (ii) was granted a permanent visa on or after the day on which this subsection commences;

- 104 weeks after the day on which the person was granted the permanent visa; or
- (d) if a person:
- (i) was granted a permanent visa before the day on which this subsection commences and
- (ii) entered Australia on or after the day on which this subsection commences;
- 104 weeks after the day on which the person entered Australia.
- (15) Schedule 1, item 26, page 11 (lines 12 to 13), omit the item.
- (16) Schedule 1, item 29, page 11 (line 23) to page 12 (line 21), omit the item, substitute:
- 29 Subsection 623B(3)**
- Repeal the subsection, substitute:
- (3) If subsection (2) does not apply, the newly arrived resident's waiting period ends:
- (a) if a person:
- (i) entered Australia; and
- (ii) was granted a permanent visa; before the day on which this subsection commences—26 weeks after whichever of the events referred to in subparagraphs (i) and (ii) happened last; or
- (b) if a person:
- (i) entered Australia; and
- (ii) was granted a permanent visa; on or after the day on which this subsection commences—104 weeks after whichever of the events referred to in subparagraphs (i) and (ii) happened last; or
- (c) if a person:
- (i) entered Australia before the day on which this subsection commences; and
- (ii) was granted a permanent visa on or after the day on which this subsection commences,
- 104 weeks after the day on which the person was granted the permanent visa; or
- (d) if a person:
- (i) was granted a permanent visa before the day on which this subsection commences; and
- (ii) entered Australia on or after the day on which this subsection commences;
- 104 weeks after the day on which the person entered Australia
- (17) Schedule 1, Division 7 of Part 1, page 12 (line 22) to page 15 (line 10), omit the Division.
- (18) Schedule 1, item 32, page 15 (lines 12 to 13), omit the item.
- (19) Schedule 1, item 35, page 15 (line 24) to page 16 (line 21), omit the item, substitute:
- 35 Subsection 696C(3)**
- Repeal the subsection, substitute:
- (3) If subsection (2) does not apply, the newly arrived resident's waiting period ends:
- (a) if a person:
- (i) entered Australia; and
- (ii) was granted a permanent visa; before the day on which this subsection commences;
- 26 weeks after whichever of the events referred to in subparagraphs (i) and (ii) happened last; or
- (b) if a person:
- (i) entered Australia; and
- (ii) was granted a permanent visa; on or after the day on which this subsection commences 104 weeks after whichever of the events referred to in subparagraphs (i) and (ii) happened last; or
- (c) if a person:
- (i) entered Australia before the day on which this subsection commences; and
- (ii) was granted a permanent visa on or after the day on which this subsection commences;
- 104 weeks after the day on which the person was granted the permanent visa; or
- (d) if a person:
- (i) was granted a permanent visa before the day on which this subsection commences; and
- (ii) entered Australia on or after the day on which this subsection commences;
- 104 weeks after the day on which the person entered Australia
- (20) Schedule 1, Division 9 of Part 1, page 16 (line 22) to page 19 (line 6), omit the Division.
- (21) Schedule 1, Division 10 of Part 1, page 19 (line 7) to page 21 (line 30), omit the Division.
- (22) Schedule 1, Division 11 of Part 1, page 21 (line 31) to page 22 (line 16), omit the Division.
- (23) Schedule 1, item 42, page 22 (lines 18 and 19) omit the item.
- (24) Schedule 1, item 45, page 22 (line 29) to page 23 (line 26), omit the item, substitute

45 Subsection 922(3)

Repeal the subsection, substitute:

(3) If subsection (2) does not apply, the newly arrived resident's waiting period ends:

- (a) if a person:
- (i) entered Australia; and
 - (ii) was granted a permanent visa;
- before the day on which this subsection commences—26 weeks after whichever event referred to in subparagraphs (i) and (ii) happened last; or

- (b) if a person:
- (i) entered Australia; and
 - (ii) was granted a permanent visa;
- on or after the day on which this subsection commences; 104 weeks after whichever of the events referred to in subparagraphs (i) and (ii) happened last; or

- (c) if a person:
- (i) entered Australia before the day on which this subsection commences; and
 - (ii) was granted a permanent visa on or after the day on which this subsection commences;
- 104 weeks after the day on which the person was granted the permanent visa; or

- (d) if a person:
- (i) was granted a permanent visa before the day on which this subsection commences; and
 - (ii) entered Australia on or after the day on which this subsection commences;
- 104 weeks after the day on which the person entered Australia

- (25) Schedule 1, Division 13 of Part 1, page 23 (line 27) to page 24 (line 31), omit the Division.
- (26) Schedule 1, Division 14 of Part 1, page 25 (lines 1 to 21), omit the Division.
- (27) Schedule 1, Division 15 of Part 1, page 25 (line 22) to page 26 (line 25), omit the Division.
- (28) Schedule 1, Division 16 of Part 1, page 26 (line 26) to page 27 (line 27), omit the Division.
- (29) Schedule 1, Division 17 of Part 1, page 28 (line 1) to page 30 (line 24), omit the Division.
- (30) Schedule 1, item 62, page 31 (lines 4 and 5), omit the item.
- (31) Schedule 1, item 65, page 31 (line 17) to page 32 (line 14), omit the item, substitute:

65 Subsection 102(3)

Repeal the subsection, substitute:

(3) If subsection (2) does not apply, the newly arrived resident's waiting period ends:

- (a) if a person:
- (i) entered Australia; and
 - (ii) was granted a permanent visa;
- before the day on which this subsection commences—26 weeks after whichever of the events referred to in subparagraphs (i) and (ii) happened last; or

- (b) if a person:
- (i) entered Australia; and
 - (ii) was granted a permanent visa;
- on or after the day on which this subsection commences—104 weeks after whichever of the events referred to in subparagraphs (i) and (ii) happened last; or

- (c) if a person:
- (i) entered Australia before the day on which this subsection commences; and
 - (ii) was granted a permanent visa on or after the day on which this subsection commences;
- 104 weeks after the day on which the person was granted the permanent visa; or

- (d) if a person:
- (i) was granted a permanent visa before the day on which this subsection commences; and
 - (ii) entered Australia on or after the day on which this subsection commences;
- 104 weeks after the day on which the person entered Australia

- (32) Schedule 1, Part 3, page 33 (line 2) to page 34 (line 20), omit the Part.

There are some 32 amendments which will be the subject of discussion in this consideration in detail stage. For the convenience of the House, it might be useful to treat them in different groupings for the purpose of the debate. Amendments Nos 2, 3, 4, 5, 6, 7, 8 and 9 are, in effect, amendments which are designed to omit references in the definition of 'newly arrived resident's waiting period' to any payments to which a six-month waiting period for newly arrived residents does not currently apply.

Amendment Nos 10, 11, 12, 17, 20, 21, 22, 25, 26, 27, 28, 29 and 32 would repeal those divisions of schedule 1 which apply a two-

year waiting period to payments where a six-month waiting period does not currently apply. They include carers pension, widows allowance, disability wage supplement, mature age allowance, special benefit, partner allowance, maternity allowance, child disability allowance, double orphan pension, mobility allowance, seniors health card, family payment, and disadvantaged persons health care card. The most important of these is No. 20, which will ensure that the two-year waiting period will not apply to special benefit, which is the safety net payment of last resort. I will come back to that at a later stage in the discussion.

Amendment Nos 13, 15, 18, 23 and 30 reinstate the exemption from the waiting period for a person who has a partner who has been resident in Australia for more than 26 weeks. That deals with the issue of Australians who would marry somebody other than an Australian, ensuring that that particular family unit is not adversely affected by these measures.

Amendment Nos 14, 16, 19, 24 and 31 redraft the provision for a two-year waiting period to ensure periods out of Australia count towards the two years. That relates to the additional provisions that were brought in to extend the waiting period beyond two years to whatever period a person was actually physically resident in this country. The last amendment, item one, will be contingent upon the passage of the other amendments and is really a matter which goes to the commencement provisions.

I understand that a number of members wish to speak in the consideration in detail stage and that the arrangements with the Leader of the House (Mr Reith) are that this debate will be carried forward for approximately an hour.

Mr Ruddock—Not approximately. One hour.

Mr Kerr—I don't know what the difference is, but if the minister is taking that point, fine. The issues which we will be focusing on in this debate relate to the unfairness of the measures that have been sought to have been deleted by these amendments and to the issues relating to retrospectivity. The govern-

ment gave key undertakings in its pre-election pledges that there would be a proper and adequate safety net and that there would be no retrospectivity. Both undertakings have been breached in the way in which this bill has been committed. We will also be dealing with the issues of introducing new classes of persons to whom these measures apply and extending the range of benefits right across a number of areas, for which no notice was given.

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs) (9.57 a.m.)—Let me set the parameters for this debate quite clearly. One hour is allotted for this debate, including time taken by divisions and other procedural devices that might be used by the opposition. It was unfortunate that the matter was dealt with last night in the way in which it was, because it certainly limited the opportunity for any rejoinder in relation to some of the matters raised. I do not intend to deal with those matters at any length, save to say that there have been some comments about the way in which these matters have been dealt with in the context of fairness.

It ought to be recalled that a 26-week exclusion period has been operating for some years. That measure was introduced by the former government. It did so without informing the Australian public of its intention prior to an election. In other words, it was a measure which was adopted without any policy commitment or any willingness to take it to the Australian people before the decision was taken.

The one difference between this government and the previous government is that we have taken this decision to the electorate; we have sought and have been given a mandate. I want to relate this to the way in which the shadow minister commented on these matters yesterday with some piety—

Mr Kerr—No, some degree of indignation.

Mr RUDDOCK—'Confected indignation' is exactly the term that I would use for the way in which this character used the opportunity to debate these matters to raise personal attacks, particularly in relation to me. I am not going to go to the same level of debate that the shadow minister participated in. I do

say that I think it says far more about him than it says against me.

When this measure was dealt with by his colleagues without notice, I do not recall the shadow minister ever picking it up and having the courage of his convictions to criticise his colleagues. These were measures which you put before this parliament when you introduced a 26-week exclusion period, which was done without any notice, without any debate in the context of an election. As a shadow minister, you remained absolutely silent on those matters.

Mr Kerr—I was not a shadow minister.

Mr RUDDOCK—You were a minister.

Mr Kerr—I was Minister for Justice.

Mr RUDDOCK—You were Minister for Justice and you were absolutely silent on this measure.

Mr Kerr—Don't be silly.

Mr RUDDOCK—I am not being silly. It is a measure of the way in which you have come into this parliament and paraded yourself as being a person of conscience, concern and passion.

Mr Kerr—I have.

Mr RUDDOCK—You are?

Mr Kerr—I am.

Mr RUDDOCK—Let us see it demonstrated by the way in which you behave, the way in which you debate and the way in which you vote over time, because that is the measure against which you can be judged and about which you were prepared to make comments about me and my record.

Mr Kerr—I said your one defining moment of courage was when you voted against the opportunity.

Mr RUDDOCK—I heard exactly what you said. You may think that I wasn't in the House and I didn't hear it, but I know exactly what you said.

Mr Kerr—In your own conscience, you are doing things which you have opposed.

Mr RUDDOCK—Let us understand what happened in the context of the last election on these measures.

Mr Kerr—You have opposed the issues and you are being forced to implement them.

Mr RUDDOCK—I was one who was out there taking the argument in the context of the election on these issues, as I will in the course of this debate. I went on the record on these matters, but the government does not accept the amendments we are dealing with.

Mr Kerr—Yes, it does.

Mr RUDDOCK—Of course it doesn't.

Mr ALBANESE (Grayndler) (10.02 a.m.)—I am pleased to support the amendments before this House today because essentially they are an attempt to keep the government honest with the commitments which it gave prior to the election. It is very clear that the groups of migrants most affected by this legislation will be sponsored migrants, particularly from the family reunion category. One of my primary concerns about this piece of legislation is that it will have an inequitable impact on migrants from non-English speaking backgrounds.

In my electorate of Grayndler, 42.9 per cent of people at the 1991 census were born overseas in non-English speaking countries. A further 7.1 per cent emigrated from English speaking countries to Australia. What they have brought to my electorate is great benefits of cultural diversity, respect, even a simple way of life, music and—dare I say it?—food. During the election campaign I attended a meeting of 800 people from across the political spectrum at Marrickville Town Hall—including the Liberal representatives in my electorate—opposing this very suggestion by the government of extending the period from six months to two years. There was a view that six months was just about getting it right. The concern is even greater now that it is clear that it will be extended beyond what the electorate was told.

New migrants need a period of settling in, particularly to the Australian labour market. To be able to participate in the Australian labour market, NESB migrants are more likely to need access to programs provided by DEETYA and other courses in English as a second language. To be able to participate in these courses, these people and their families

need an income on which to survive while they are learning. Without Commonwealth financial support, these new Australians are not able to afford time out of the work force and so enter the labour market prematurely and underprepared—if you start behind the eight ball, it is very hard to get ahead.

It is absolutely outrageous for the minister to suggest that all this social security legislation will do is simply increase Labor's waiting period from six months to two years, because it is just not true. It is even worse to suggest that there is some sort of mandate for these changes. Again, that is not true. This bill does not simply contain the proposals that the coalition took to the Australian people prior to 2 March. The extent of this proposed legislation is a whole new ball game. It is yet another example of the coalition breaking its promises by stealth.

Also, this proposed legislation covers much broader classes of new arrivals than those the coalition stated prior to the election. It extends to a significantly wider range of benefits, allowances and entitlements than was ever mentioned. It is retrospective to 1 April, so that migrants who arrived in Australia in recent months—or who may well be on the plane right now, before this legislation has been adopted—will have the rules changed after it is too late for them to alter their plans. It removes Labor's safety net for newly arrived residents suffering extreme hardship, in contradiction of the government's stated policy.

In my electorate office of Grayndler, I see a lot of people who are seeking assistance with immigration. I can vouch, at first hand, for the importance of new residents being protected by a safety net. I see many people who, within the first two years of their arrival in this country, experience tragedy or changes in circumstances through death in the family, illness and disability. The effects of the government's proposed changes are also broader than its stated policy. Newly arrived migrants moving to the same areas, with increased financial reliance on each other, only discourages involvement in the wider Australian community and, I would have thought, was the exact opposite of what the

minister suggested in a speech recently about making sure that migrants settled outside enclaves in Sydney and Melbourne.

There is also concern for newly arrived migrants entering the work force underprepared. This increases the likelihood of exploitation in the workplace, it means that they will be more desperate to take any job and, with the workplace relations bill, which is being debated after this, it certainly increases the chances of new migrants being exploited by unscrupulous employers. I think this will see a growth in the sweatshops in my electorate. (*Time expired*)

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs) (10.07 a.m.)—Mr Speaker, because of the way in which the matter progressed last night, can I table a corrigendum to the explanatory memorandum. Also, in case the way in which this matter is progressing in some way enables the opposition to characterise our promise in relation to this matter as being something other than what it was, can I take the opportunity to make it very clear that the undertaking we gave was to exclude all new migrants after 1 April from access to our social security system. The only exceptions were for humanitarian and refugee entrants and for those whose circumstances change significantly after the election. In relation to other family payments, the Prime Minister (Mr Howard) made it clear that he was referring to—

Mr Kerr—This is rewriting history.

Mr RUDDOCK—No, it is not. He made it very clear that we were referring to what was known previously as the basic family payment. We are dealing with a measure that now deals with its equivalent in the social security system.

Mr Kerr—You said, 'It, of course, doesn't apply to family allowance and other benefits.'

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The honourable member for Denison!

Mr Kerr—Are you saying the Prime Minister lied?

Mr RUDDOCK—I am not saying that at all.

Mr DEPUTY SPEAKER—Order! The honourable member for Denison will withdraw that interjection.

Mr Kerr—I was asking whether—

Mr DEPUTY SPEAKER—The honourable member will withdraw.

Mr Kerr—Mr Deputy Speaker, I was asking whether the minister was implying that the Prime Minister lied. I was not making an assertion of that kind whatsoever. I was asking the minister and he said, 'No, I am not making that point.'

Mr DEPUTY SPEAKER—I accept the explanation, but I ask the honourable member for Denison to be very careful about the use of unparliamentary language.

Mr RUDDOCK—I wish to go on to make a number of points about this measure. During this debate the shadow minister for immigration and a number of his colleagues have been characterising these measures, which were clearly designed to exclude eligibility to the social security system as being something other than in accordance with our commitments and promises.

We took this issue to the people and it was a matter about which we sought the support of the community. It was a matter about which, if you heard the carefully constructed speech yesterday of the honourable member for Reid (Mr Laurie Ferguson), there are members of the opposition who clearly understand that, if a government is about admitting people to access our social security system through the migration program, they should be able to do that by way of choice as to who shall or shall not be able to do so. When we, in effect, look at the most vulnerable people, which were always the ones being characterised as likely to be affected by this measure, we specifically said, by way of decision of the government, that refugees and humanitarian entrants would not be able to access the social security system.

Mr Kerr—Would be able.

Mr RUDDOCK—Sorry; they would be able to access the social security system. I thank the shadow minister. Our concern was that when you go beyond that—the two categories are family reunion and economic

migrants—they ought to be able to know before they come that they will not be eligible for benefits unless there are changed circumstances after their arrival. That is what this measure is designed to implement. We do not consider that unreasonable. Most people do not consider it unreasonable when they look at what has happened over time in relation to so many aspects of the migration program where today people do enter after assurances of support have been given. Notwithstanding those assurances of support, relatives claim benefits when other members of the family said, 'If you allow our relatives in, it will not be a charge to the Australian taxpayer.' The former government could not get those moneys back. The assurance of support scheme has fallen largely into disuse in terms of its effectiveness. (*Time expired*)

Mr O'CONNOR (Corio) (10.12 a.m.)—It gives me great pleasure to support the amendments that have been proposed by the honourable member for Denison (Mr Kerr) and to oppose the provisions of the legislation that are being put forward by the government. Nowhere is the political deception of the Prime Minister (Mr Howard) in this Liberal government more evident than in the social security legislation we are debating in the House today, which seeks to curtail the benefits which might be received by new migrants to this country. Having made unfunded promises in the recent election campaign, the Prime Minister and the government now seek to place the burden of their deception on the migrant communities of Geelong and other migrant communities throughout Australia.

The Social Security Legislation Amendment (Newly Arrived Resident's Waiting Periods and Other Measures) Bill 1996 is a bill that is motivated by all the wrong reasons. The political reasons for this bill must be seen in the context in which this policy was enunciated. In the lead-up to the last federal election it represented a crude appeal to those redneck elements in our community who oppose immigration to this country and migrants.

The financial reason was equally crude. Having made wild election promises that could not be funded, the Prime Minister and

the Treasurer (Mr Costello) thought they could grab expenditure savings of \$616 million over three years by punishing new migrants and their families. But we all know that the Treasurer got the cost savings wrong. The government has now admitted that these measures will save only \$332.5 million over three years. That leaves \$283.5 million of an 'unfunded promises hole' for the Treasurer and the Prime Minister. That is just part of the \$4 billion of unfunded promises which are emanating from the 1996 campaign.

The electorate which I represent in this parliament has a large and strong migrant population, which has made an enormous contribution to the economic, social and cultural life of the Geelong region. From all over the globe, migrants have come to settle in Geelong, to build a humane and vibrant city. In commerce and the arts, sport, and religious and cultural celebrations our lives have been enhanced and enriched by the contribution of our migrant population to the life of the city.

Migrant workers have played an important part in building Geelong's great manufacturing enterprises, such as Ford, Alcoa, Godfrey Hirst and Shell. In a multitude of small and medium businesses in the retail and services sector, migrants have played an important role in the development and the expansion of the small business sector in Geelong.

In the cultural area, Geelong's migrant community plays host to the Pako Festa, one of Australia's pre-eminent regional multicultural festivals which brings together people from diverse ethnic backgrounds in a public celebration of their ethnic origins. Indeed, according to the last census, around 22 per cent of Corio electors were born outside of Australia. It is on behalf of Geelong's migrant community that I voice my objection to what the government is proposing to do in this legislation. That community is profoundly disappointed with the attacks that already have been made upon it by this Liberal government.

On top of these punitive measures, the government has also instituted a full cost recovery of adult migrant English language programs, increased charges on a range of

services to migrants, proposed to extract a further \$6 million from those attempting to learn English and instituted cuts to the number of DSS migrant liaison officers. All these measures represent the most concerted attack on Australian migrants we have witnessed in recent years and demonstrate that this Liberal government is more interested in pandering to the prejudices of vocal conservative majorities than doing justice to, and achieving equity for, our migrant community.

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs) (10.17 a.m.)—I want to pick up on one other matter arising out of the amendments proposed by the opposition. The amendment that I particularly want to highlight concerns the proposal to enable people to be offshore for two years, and in effect serve their waiting period outside of Australia, re-enter Australia after the two-year period and then immediately assume access to benefits. The effect of that proposal, of course, is to undermine the integrity of the proposed arrangements.

Even if these people were able and in a position to work—they could have entered Australia under a business migration visa, for instance, through an employer nomination or by independent entry arrangements, whereby they were assessed as having skills that would be beneficial to Australia—under the proposal that is being brought forward by the opposition they would be able to leave Australia, come back after the required waiting period and immediately take benefits without having contributed in any form whatsoever to work or the tax system. This puts the whole issue of justice in a new light.

The opposition is seeking for Australian taxpayers to support through our benefits system people who are seeking to come to Australia on the basis that they are able to contribute positively to our economy, to essentially our way of life. The argument for the family reunion categories is much the same. Here we have a system in which people who want to migrate to Australia would otherwise be excluded but for the concessional entry arrangements—whether preferential or concessional categories. Essentially, the basis upon which they have sought to enter Austral-

ia is the undertaking given by family and relatives here in Australia, which says, 'If you allow my relative to come in concessionally, I promise that they will not become a burden on Australian taxpayers generally.' That is essentially the basis.

It is the very reason that we had the assurances of support scheme in place over a long period of time. The general period for which assurances of support was to operate was two years. It did operate for longer, but the former government reduced the period to two years. One can assume from that that they were arguing that it is not appropriate for people who are allowed into Australia on a concessional basis to be able to become a burden upon taxpayers generally.

But the assurances of support scheme has clearly failed. I do not have precise figures with me, but I will put them indicatively. I recall questions asked of the former Minister for Social Security, Senator Richardson. Firstly, he was asked the value of assurances of support that have been given to migrants who would have access to social security. He said that the value was about \$30 million. Secondly, he was asked what the government's expectations were as to the amounts that they would recover under assurances of support. He estimated that the figure was \$9 million. Thirdly, he was asked how much the government actually recovered. As I remember it, the figure was about \$1 million. What you have is a situation where the special benefits arrangements, which the opposition wants to reinstitute, were used as a basis for obtaining benefits that assurers said the migrants would never claim.

It is unconscionable and unreasonable to expect Australian taxpayers to carry that burden in those circumstances. That is the very reason we are excluding access and providing an umbrella where there are changed circumstances, so that those who are affected by changed circumstances can be picked up. We think it is a far more effective and, from the point of view of Australians generally, beneficial system which does meet the needs of people who are adversely affected. (*Time expired*)

Mr ALLAN MORRIS (Newcastle) (10.22 a.m.)—Those last remarks really do indicate the plaintive wail of a failed minister. The fact is that the Minister for Immigration and Multicultural Affairs (Mr Ruddock) has been rolled absolutely massively. He has just now put forward the idea that when a person pays tax that tax relates to benefits. What about the person who is paying tax who is excluded from benefits in that two years? To use his logic that it is a tax system which is relevant is to defeat his own argument.

My colleague the member for Corio (Mr O'Connor) mentioned earlier the way the migrant community is paying for this minister's incompetence at getting things through his own cabinet. The fact is those costings were always false, always fraudulent. They were aimed at stirring up the idea that somehow migrants were people coming here on a free ride, which was never the case. What is more, they made it worse because a substantial number of migrant people who are unemployed are refugees and are not affected by the legislation. Those same people need more support for English language and skills training, and that is being cut. Those opposite are going to make worse the problem they said they were going to solve.

In the campaign they set out to reduce the number of overseas people on the dole. We had this spectacle last week of the Prime Minister (Mr Howard) prancing around in the chamber and waving to the gallery saying that we were trying to have people come here and get on the dole straightaway. That is what he put forward. He knows that was fraudulent, and the minister is now confessing failure by linking it to taxation.

Some 20,000 to 25,000 Australians a year marry someone from overseas. A substantial part of our migration numbers are those who marry people from overseas. We are now going to have two systems. If you marry a New Zealander that is one score. If you marry someone from England or Australia you get different systems for your kids and for your support. This is a fair country. This is the minister who suggested the title, *A fair go for all: Report on migrant access and equity*.

The government set out with an agenda to subliminally attract the kind of anti-migration rhetoric reminiscent of the Prime Minister when he was the Leader of the Opposition in the early 1980s. It really was 1985-87 revisited, even 1984 with a previous member from Tasmania. They set out to send that kind of message. They did it by saying that it was unfair that these people were coming here and getting the dole. When they get into government what do they do? They extend it massively because they have a \$4 billion shortfall.

So now family benefits, child care and other payments which were never mentioned, never raised and never part of the system are now being brought into it. At the same time, those people who desperately need support, people who have been through massive trauma who come here as refugees, will be asked to pay increasingly for their English language training. The cuts to Working Nation particularly focus on them so there will be less support to get employment. They will spend longer on unemployment benefits, if they ever get a chance to work. In other words, by a range of actions they would make it worse.

In our system, the minister for an area normally has some sense of responsibility for the people he represents. This minister has responsibilities for the migrant community of Australia, which is a major community which has made a major contribution. He has sold them out in a massive way by his inability to get a decision through that government. The troika who control the government are telling him what to do. They are telling the back-bench what to do. In effect, they are saying what runs migrant policy.

This is not about supporting migrants. It is not about making Australia a better country. It is not about getting a fair go. It is not about saving taxpayers money because eventually it will cost more because of the downturn effects of the other changes being made. There will be cuts to social security, cuts to DEET and cuts to my local migrant office, which is being closed down by this minister.

We have had an office in Newcastle since the Fraser and Menzies governments. Under this minister it has now gone. He will become famous in the migrant communities as the

man who contracted services back to capital cities, the man who destroyed migrant communities in regional Australia while at the same time talking about getting people to settle outside capital cities. He is taking away all the support. The contradiction of that is absolutely manifest. (*Time expired*)

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs) (10.27 a.m.)—I will just pick up some of the issues that have been raised in the course of this discussion. It is important that honourable members know—and I have not had the opportunity to put them before the House—some of the significant changes that are occurring in the migration program and some of the reasons why they will occur.

One thing that is worrying me is that at the moment somewhere in the order of five out of every eight migrants to Australia enter in the preferential family reunion stream. The preferential family reunion stream is primarily dominated by spouses, de facto partners, fiances and a group called emotionally interdependent partners. Whilst again I do not have the precise figures, I will give you indicative figures. Last year they went up from numbers in the order of 25,000 to over 35,000.

Mr Kerr—That's just a statistical blip. There's the PRC.

Mr RUDDOCK—A statistical blip? The PRC is a very small part of it. I have asked for an analysis to be made of that.

Mr Kerr interjecting—

Mr RUDDOCK—No, I do not. I want to ensure that the relationships are bona fide. I hope the shadow minister will support us when we endeavour to look at the bona fides of these relationships. One of the important points that we have to look at is the extent to which benefits themselves become the basis upon which some people make their decisions in relation to migration matters.

Mr Kerr—Marriage.

Mr RUDDOCK—In some cases, yes. That is a matter we will be addressing in due course and we will look for your support in relation to issues of more effectively testing people's bona fides. I do not know whether

the honourable member saw on the television only a matter of weeks ago groups of people who were seeking to enter Australia illegally. Illegals, of course, are not entitled to access our benefit system. Their aspirations to come here were in terms of obtaining eligibility for our benefits.

Mr Kerr—Birrell suggests this is a naive method of approaching it.

Mr RUDDOCK—Birrell suggests, as I understand it, that we may not make all the savings that were intended, and he would like to think that we were able to do so by adopting other methods. If you are suggesting that we should be picking up some of the other suggestions Mr Birrell brings forward, I am glad to hear your endorsement of Bob Birrell. Many members on your side of the parliament have been very keen to walk away from suggestions that Bob Birrell makes on migration.

Bob Birrell, in fact, had a lot to say about the former government's approach to PRC nationals, introduced by the shadow minister not so long ago. He warned us, as I recall, of the potential significant chain migration as a result of decisions taken by the former government with PRC nationals. It was when Bob Birrell was making those sorts of comments that members on your side of the House were, of course, quick to walk away from him. You certainly did not use him as a basis for endorsement of the policy prescriptions that—

Mr Kerr interjecting—

Mr RUDDOCK—You are using Bob Birrell as a basis for endorsing a position on these matters. Finally, I bring my comments to bear on the observations by the member for Newcastle (Mr Allan Morris) on settlement programs and the support for them. I have to say that, unless measures of this sort are contained, it is going to be very difficult to find additional funds for settlement programs. We want to put funds into those areas, and we think there are needs in those areas, but yesterday \$30 million worth of Medicare funding was knocked off in the Senate by a decision of the Labor Party. If we find that these measures, the savings that they are going to introduce, are knocked off in the

Senate, I can tell you that there are other areas of expenditure of far greater need and priority that we will not be able to accommodate were the Labor Party to take a short-sighted approach on these sorts of issues. I have not introduced the arguments about Labor's black hole, but you are quite prepared to put the onus of paying for these matters on both children and grandchildren. (*Time expired*)

Mr ROBERT BROWN (Charlton) (10.32 a.m.)—I want to identify myself with the protest by the opposition over the content and the thrust of this legislation. I am surprised that the Minister for Immigration and Multicultural Affairs (Mr Ruddock), with his track record, would seek to claim credit as the architect of this legislation. I do not believe that he would have been the person responsible for the detail. It is more likely that he has been rolled by cabinet in connection with it.

Opposition members interjecting—

Mr ROBERT BROWN—I do believe his track record is better than this. No-one would object to the development of clear guidelines or to the introduction of provisions which will make it impossible for people whose motives are less than genuine to access Australia as migrants and to access the Australian social security system, but let us be perfectly clear about the nature of this legislation. This legislation is not about equity, it is not about fairness and it is not about justice; it is simply about cost cutting. It is designed to cut costs using those people in the community who quite clearly are the most vulnerable—the people who come to Australia genuinely.

I do not like the slur that has been applied to those people in an attempt to justify this legislation. They are the types of slurs which seek to link them, for example, with illegal migrants—people whose sole purpose in coming to Australia is to access the social security system. The vast majority of newly arrived migrants and descendants of migrants have made an enormously important contribution to the development and the diversity of Australia and to the strength of the Australian economy and the national community for the

past 50 years, which is of great credit to them.

I am surprised and I am disappointed that the government now is including these vulnerable people among the vulnerable sections of the Australian community upon which it has unleashed its attack. The savagery of the attacks unleashed by this government—and the savagery of the attacks which will be unleashed by this government—beggar description. We have got people who are taking to the streets at the present time. We have got universities going on strike. We have got increasing numbers of people expressing their concern and their desperation about these measures.

Yesterday, a growth rate in Australia was confirmed which means that this government's pursuit of what it has referred to as \$8 billion worth of cuts is no longer necessary. The front pages of the *Sydney Morning Herald* and the *Australian* this morning indicate that the government will continue to pursue the cuts. The reasons the government gives for that pursuit have been removed, but it will continue to pursue the cuts. No-one objects to the development of clear guidelines. No-one objects to Australia ensuring that people who wish to access Australia and the benefits of Australia are genuine, but the degree of inflexibility and the degree of savagery that is being introduced into this whole area of concern does credit to no-one.

In moving these amendments, the shadow minister drew attention to amendment 20 and to the very special problems associated with the special benefits provision—the safety net provision of last resort—and the fact that so many people will be excluded. He emphasised that we are concerned about the unfairness of those measures to be deleted and the retrospectivity of the measures. The retrospective date is 1 April this year for the introduction of new classes of people to whom the provisions apply.

In defending his position, the minister indicated that the 26-week exclusion period had applied for some time. He said that it had been introduced by a Labor government—yes, that is very likely, because we were in government for 13 years—but without taking

it to the electorate before an election. That is an absurd proposition.

Mr Ruddock—Why?

Mr ROBERT BROWN—The minister interjects and asks why! If this government does nothing during the period of its being in government other than those things that are identified in the election campaign, it will be absurd. (*Time expired*)

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs) (10.37 a.m.)—Perhaps I can help my colleague the member for Charlton (Mr Robert Brown) on the matter he has just raised. The difference in the way in which we have dealt with this matter is that we sought to tell people that we were going to adopt the measure; if they wanted to vote against us, they could.

The former government made changes in this area for which they did not seek a mandate. Yet they want to suggest that this bill—the Social Security Legislation Amendment (Newly Arrived Resident's Waiting Periods and Other Measures) Bill 1996—was a cynical exercise on our part. The standards are totally without comparison, and I am surprised that the honourable member for Charlton, whom I have known over a long period, would want to defend the approach taken by his colleagues on that matter. The opposition believe that it is reasonable for people to come here and immediately access our benefit system; that is the purpose of the migration system.

Let me make it very clear. We have taken the view that humanitarian entrants and refugees are vulnerable people whom we want to support and are prepared to support. We announced the starting date of 1 April before the election. We wanted migrants arriving in the country before that date to know that they would not be affected by the new measure. It affects only those people who were in the position to make a decision not to come, who were in the position to say, 'I will no longer come because I know I cannot access benefits for a two-year period.'

We wanted to put this measure to migrants in a way that was quite clear. It is certainly not retrospective; it is prospective, in effect.

For people who suffer a significant change of circumstance after their arrival, we have characterised the sorts of situations that might apply. I used to speak about this at public meetings during the election campaign because I had carriage of this issue. I made it very clear that, if a sponsor died, the sponsored migrant's circumstances were very different. The same applied if a sponsor lost his job, because people are asked to give assurances that they will look after their relatives when they arrive for a two-year period.

In a situation where a migrant marries an Australian partner who, they expect, will look after them—who has promised to look after them—but through something like domestic violence, for instance, the marriage breaks down, the supporting parents payment and so on will be available because there is a significant changed circumstance after arrival. But it is not a matter of having a special benefit and, regardless of the promises made, regardless of the basis upon which you enter the country—in the economic stream or otherwise—you can rely on the Australian community's support rather than on yourself.

There were different views in the opposition on this matter. Some members suggested that this measure would have a significant impact on people's intentions; others were saying that it will have no impact. I am looking at this matter at the moment in the context of the development of an immigration program for next year. It is the government's view, and the view of our advisers, that this approach—there are other matters dealing with bona fides for which I will be seeking support from the opposition later on—will have an impact upon the numbers of people entering the country through the family reunion stream who are not bona fide, whose intention is to come here and be supported through our welfare system rather than supporting themselves through their own skills and capacities or through the support that has been promised by relatives here.

These measures can be very useful in ensuring that the promises given are honoured. The people strongest in their support of these measures are those who do honour

their undertakings, and there are many of them, and who find that, having struggled to support a relative, there are other people down the street who walk away from those commitments. There are people in the community, and the member for Reid (Mr Laurie Ferguson) was articulating this yesterday, who have very strong support for these measures. (*Time expired*)

Mr KERR (Denison) (10.42 a.m.)—It does the Minister for Immigration and Multicultural Affairs (Mr Ruddock) little credit to fall back on the 'migrant as bludger' scenario. People who come to Australia as permanent residents—the people I am talking about—are entitled to better treatment. Of all the people who come here, whether to form new families or to achieve economic success in this country, certainly some will suffer circumstances causing them to fail. It is a question of what happens in those unanticipated circumstances.

The existing special benefits regime says that if there is a circumstance in which you find yourself and your children, where there is simply no other welfare measure available and you cannot maintain yourself in a situation other than abject hunger and poverty, there is a safety net. That safety net is shredded by the measures proposed in this Social Security Legislation Amendment (Newly Arrived Resident's Waiting Periods and Other Measures) Bill 1996.

You could be in the most abject poverty, your children starving, but if you do not fit one of these narrow bands of expectation you get nothing. You might say that the adult who failed to anticipate properly something that might happen in two years should take the risk of starvation but what kind of morality is it when the consequences are imposed on the children? For those who fall within the safety net, their children are treated less advantageously than the children of other Australian permanent residents because there is no access to the rest of the family benefit system. They remain absolutely disadvantaged and prejudiced. I gave figures in my speech in the debate on the second reading which showed precisely how dramatic that difference is.

Then there is the question of retrospectivity. When these measures came into effect there

would have been people on planes with visas, and they and their sponsors would have anticipated arriving in this country under the existing rules. How could they have anticipated circumstances that did not exist at that earlier time?

Mr Robert Brown—They oppose retrospectivity for tax dodgers.

Mr KERR—These are the people who have always opposed retrospectivity for tax dodgers, and these are the people who have said they oppose governments introducing legislation by press release.

Here we have the most ironic situation, where they are imposing on children—the most vulnerable in our society—impending starvation. That is what it is, because there will be no safety net. They will be out there begging at St Vincent de Paul, the Salvos or whomever else is there if those circumstances arise. Let's face it—human nature being what it is—some people will not be wise enough to anticipate that their circumstances might not work out as well as they had hoped in this new country that they are making their home. There are going to be some people who are just that tad too optimistic. Okay, they might be able to be treated as dispensable by the government, but what about their children? How can you say you are a compassionate government in those circumstances?

I have nothing against dealing with marriage partners who seek to abuse the marriage relationship by not having genuine relationships. If you put up decent proposals, I will listen to them and be with you in any crack-down in that area. But why impoverish the genuine ones? Why impoverish people who are genuinely making their homes in Australia with marriage partners who are Australian citizens?

Mr O'Connor—Twisted logic.

Mr KERR—Exactly. It is twisted logic. The final point I make is that I am sorry if the minister feels that I was too personal, but I cannot help thinking that there is some real irony in the fact that the minister is now a cat's-paw for a man he once opposed on policies he once opposed. I cannot believe they are his genuine personal views. He is not a

person who would normally stand for this 'migrant as bludger' stereotype. They are trying to get some public support for measures that they know are indecent.

Question put:

That the amendments (**Mr Kerr's**) be agreed to.

The House divided. [10.51 a.m.]

(Mr Deputy Speaker—Mr H.A. Jenkins)

Ayes	44
Noes	88
Majority	44

AYES

Adams, D. G. H.	Albanese, A.
Baldwin, P. J.	Beddall, D. P.
Brereton, L. J.	Brown, R. J.
Crean, S. F.	Crosio, J. A.
Ellis, A. L.	Evans, G. J.
Evans, M. J.	Ferguson, L. D. T.
Ferguson, M. J.	Fitzgibbon, J. A.
Grace, E. L.*	Griffin, A. P.
Holding, A. C.	Hollis, C.
Jones, B. O.	Kerr, D. J. C.
Langmore, J. V.	Latham, M. W.
Lawrence, C. M.	Lee, M. J.
Macklin, J. L.	Martin, S. P.
McClelland, R. B.	McLeay, L. B.
McMullan, R. F.	Melham, D.
Morris, A. A.	Morris, P. F.
Mossfield, F. W.	O'Connor, G. M.
O'Keefe, N. P.	Price, L. R.
Quick, H. V.	Sawford, R. W.*
Sercombe, R. C. G.	Tanner, L. J.
Theophanous, A. C.	Thomson, K. J.
Willis, R.	Wilton, G. S.

NOES

Abbott, A. J.	Anderson, J. D.
Andren, P. J.	Andrew, J. N.
Andrews, K. J.	Anthony, L. J.
Baldwin, R. C.	Barresi, P. A.
Bartlett, K. J.	Billson, B. F.
Bishop, B. K.	Bradford, J. W.
Broadbent, R. E.	Brough, M. T.
Cadman, A. G.	Cameron, E. H.
Cameron, R. A.	Causley, I. R.
Charles, R. E.	Cobb, M. R.
Dondas, N. M.	Downer, A. J. G.
Draper, P.	Elson, K. S.
Entsch, W. G.	Evans, R. D. C.
Filing, P. A.	Forrest, J. A.
Gallus, C. A.	Gambaro, T.
Gash, J.	Georgiou, P.
Grace, E. J.	Hardgrave, G. D.
Hawker, D. P. M.	Hicks, N. J.*
Jeanes, S. B.	Johnston, R.
Jull, D. F.	Katter, R. C.

NOES

Kelly, D. M.	Kelly, J. M.
Kemp, D. A.	Lieberman, L. S.
Lindsay, P. J.	Lloyd, J. E.
Marek, P.	McArthur, F. S.*
McDougall, G. R.	McGauran, P. J.
McLachlan, I. M.	Miles, C. G.
Moore, J. C.	Moylan, J. E.
Mutch, S. B.	Nairn, G. R.
Nehl, G. B.	Nelson, B. J.
Nugent, P. E.	Prosser, G. D.
Pyne, C. M.	Randall, D. J.
Reid, N. B.	Reith, P. K.
Rocher, A. C.	Ronaldson, M. J. C.
Ruddock, P. M.	Scott, B. C.
Sharp, J. R.	Sinclair, I. McC.
Slipper, P. N.	Smith, A. C.
Smith, W. L.	Somlyay, A. M.
Southcott, A. J.	Stone, S. N.
Sullivan, K. J.	Taylor, W. L.
Thomson, A. P.	Truss, W. E.
Vaile, M. A.	Vale, D. S.
Wakelin, B. H.	West, A. G.
Williams, D. R.	Wooldridge, M. R. L.
Worth, P. M.	Zammit, P. J.

PAIRS

Beazley, K. C.	Howard, J. W.
----------------	---------------

* denotes teller

Question so resolved in the negative.

Bill agreed to.

Third ReadingBill (on motion by **Mr Ruddock**)—by leave—read a third time.**WORKPLACE RELATIONS AND OTHER LEGISLATION AMENDMENT BILL 1996****Second Reading**Debate resumed from 23 May, on motion by **Mr Reith**:

That the bill be now read a second time.

Mr McMULLAN (Canberra) (10.59 a.m.)—The Workplace Relations and Other Legislation Amendment Bill will mark the end of the cooperative era of industrial relations which Australians have enjoyed for more than a decade. This is a bill which will undermine the pillars which have allowed working men and women in Australia to defend and advance their working conditions for more than a century. It will undermine the

central role of the independent umpire, the Australian Industrial Relations Commission.

The bill will undermine the award system which has been the effective mechanism for advancing and establishing living conditions for all the working lives of all the men and women in factories, offices, mines and on construction sites around Australia. It will undermine the right of working men and women effectively to exercise their right to act collectively at their workplace. The combined effect of these three measures will inevitably lead to a decline in living standards for Australian families.

This is a bill which will make Australian society less fair. It will increase the gap in wealth and income between the strong and the weak, between men and women, between adults and youth, and it will exacerbate regional variations in wages and living standards. Before the election, every Labor candidate gave commitments about our attitude to arbitration, about our attitude to the award system and our attitude to the rights of workers. We gave those commitments before the election; we will honour those commitments now.

For all these reasons, the opposition will oppose this bill. We will oppose this bill here in the House of Representatives and we will oppose it in the Senate. If, however, as we suspect, our opposition is unsuccessful, we will seek to amend this bill as comprehensively as we can. Therefore, we welcome the fact that the Senate has already resolved to enable the public to make broad ranging contributions to the consideration of this bill. This will provide the opportunity for interested parties and citizens to assist us all in our assessment of this long, complex, flawed and constitutionally dubious bill.

After the Senate's consideration, the opposition may put forward in the Senate further detailed amendments should they continue to be necessary. However, we hope they will not be necessary. We hope that the evidence before that committee will convince minor party senators to join us in defeating this bill.

The legal framework we establish to govern industrial relations says a lot about the way we see our society. It is obviously important

for our economy and it can play a part in increasing efficiency and flexibility. Both of these measures can individually and in combination increase national productivity. In so doing, we increase our capacity to deliver increased incomes to Australian families without reducing our international competitiveness and our capacity to create jobs here in Australia. But there are other factors that are fundamental to the productivity of the workplace. The harmony and creativity of a well-run workplace makes substantial contributions to short-term, medium-term and long-term productivity improvements, and of course there is nothing more conducive to undermining productivity than industrial disputes. The least productive place an Australian worker can be is 'out on the grass'.

A dissatisfied, disgruntled workplace in which disputes are simmering and the pressure for continuing relentless change makes workers feel insecure and dissatisfied can do nothing to increase productivity. There is a complex array of factors involved in the economic consequences of industrial relations changes, particularly those of the magnitude we see reflected in this bill. Flexibility is obviously a desirable goal. However, in a decent society it must be balanced with fairness. The objects clause of this bill makes clear the loss of any emphasis on fairness in the single-minded pursuit of the goal of flexibility. This bill is all about flexibility with no concern for fairness. We will attempt to put the fairness back in.

The government does not appreciate that, beyond the economic consequences of industrial relations, there are profound and important social consequences for individuals, families and society as a whole. The way in which industrial relations is structured has a great influence on how families can earn their income and on how much time they can spend together. Satisfaction at the workplace affects every aspect of our daily lives and our self-esteem. For society as a whole, the nature of our industrial relations system is a key determinant of the fairness of our society. This is not as easily measured as the more readily quantifiable economic benefits, but we must not allow our assessment to be dominat-

ed by the tyranny of the measurable. Those things that are not measurable may still be fundamental.

We believe that this bill will probably not deliver anything like the economic benefits which it seeks, but it will definitely deliver the social costs which we fear—the social costs for individuals and families, the social costs for our society as a whole.

It is clear that the government has grave doubts about the capacity of this bill to deliver its economic benefits. The Prime Minister (Mr Howard) is already moving to downplay the 'Jobs Bill' title that the Minister for Industrial Relations (Mr Reith) sought to establish for this bill. Mr Howard said over the weekend that he did not expect this bill to have a rapid impact on unemployment. Certainly, in the macro-economic policy context which this government is creating it will take more than the most miraculous industrial relations bill to create a climate for a fall in unemployment.

The opposition in no way suggests that there is no potential for the economy to benefit from greater flexibility in the labour market. After all, we introduced a substantial increase in the capacity for flexibility to be delivered in Australian workplaces. But what this bill and this government fail to appreciate is the extent of change which has already taken place—not change which any government has created by itself, but change which the previous government made possible and which men and women in their workplaces have worked very hard to create.

The official report of the Department of Industrial Relations on enterprise bargaining makes clear that most Australian workplaces bargained over change in the 12 months to November 1994. Sixty per cent of workplaces with 10 or more employees introduced some change after negotiations with unions or employees, and 75 per cent of employees worked in these 'bargaining workplaces'. From October 1991 to April 1996 almost 8,000 federal agreements were ratified.

As a result of this enterprise bargaining and the general impact of the opening up of our economy to competition, we have seen sustained improvements in productivity. In the

last five years of the previous coalition government, labour productivity grew at 1.3 per cent per year. In the period since the move to enterprise bargaining, labour productivity has grown at more than 2.5 per cent per year. Over the entire period of the Labor government, labour productivity in Australia increased at a faster rate than the OECD average.

I say to those members of the government who are so enthusiastic for the perceived economic benefits of this bill, 'Go into the workplaces in your electorates and see if the men and women working there think there has not been enough change. Go into those workplaces and tell the workers that they need to be prepared to commence the process of rapid change in the workplace.'

My experience and the experience of my colleagues is to the contrary. Published and private research suggests that the concern of Australians is that there has been too much and too rapid change. The public comments of the Prime Minister during the election, in which he articulated his aspirations to make Australians feel 'relaxed and comfortable', certainly suggest that the Liberal Party market research was also picking up apprehension in workplaces and in our society that change is not too slow, but too rapid.

The 'relaxed and comfortable' promise is just another broken promise shattered by the post-election experience of a Howard government. It lies on the scrap heap with the rock solid guarantee that no worker would be worse off, with the assurance that no-one would be forced off the award, with the guarantee that the arbitration system would continue to play its role, and with the very many other commitments already broken and those yet to be broken in the budget and beyond.

So change has been taking place in our workplaces—sometimes hard, uncomfortable, unwelcome change. Australian working men and women resent the suggestion that they have not been contributing to this process of change.

I do not pretend that this process of change can stop. For very good and inevitable reasons, the Australian economy has been op-

ened to international competition and once open it cannot be closed. But the process of change cannot be effectively won without the cooperation of Australian workers. You will not win their cooperation by ignoring or undervaluing the changes that have already been made.

Cooperation is essential to increasing productivity and cooperation requires that those who feel vulnerable to the process of change, those who feel the quality of their job or the job itself might be at risk in the process of that change, should feel secure.

I regret to say that there is nothing in this legislation to make any Australian worker feel secure, to make them feel that their position will be protected in the great process of ongoing economic change that Australia has to manage in the latter part of this century and in the first decade of the next.

There is one thing you can definitely say about productivity in Australian workplaces. A bill consciously designed to attack the living standards of working men and women, to make them feel insecure and to make their organisations—the organisations that they have so assiduously developed over 140 years—feel under threat, will not create security and cooperation in the workplace.

Let me turn now to our detailed concerns about this bill, which will be spelt out more specifically at the consideration in detail stage for which we hope ample time will be set aside by the government: firstly, our three fundamental concerns—the attack on the Industrial Relations Commission, the attack on the award system, and the attack on the right to take effective collective action.

We have already released a list of 36 attacks on the role of the Industrial Relations Commission. It is hard to accept the word of a government which says it values and will maintain the role of the Industrial Relations Commission when, on the one hand, it is reducing its powers and, on the other hand, it is cutting its budget by 10 per cent. Economists usually say, 'On the one hand this,' and 'On the other hand that,' as a balancing item. On this occasion both hands are pointing in the same direction. It is hard to accept the word of a government which says it believes

there is a key role for the Industrial Relations Commission in unfair dismissals but which makes budget decisions which require all the specialist part-time conciliators on unfair dismissals to be sacked.

What are the key concerns we have about the 36 cuts to the role of the Industrial Relations Commission? Let me give a few examples. The commission's power to prevent or settle an industrial dispute by arbitration is no longer a general jurisdiction, rather it is now confined to just 18 prescribed matters. The commission's power to make awards dealing with these prescribed matters is now limited to setting minimum rates only. The commission is now precluded from making or varying a paid rates award. The commission no longer has any functions or powers in reviewing enterprise or workplace agreements.

Those are just examples. More detailed concerns will be articulated at the consideration in detail stage. I am sure they will come forward before the Senate committee and, if necessary, we will detail them further at the committee stage in the Senate.

By this bill, the award system is being slashed and burnt. It is being limited in its range and comprehensiveness. Important elements of award coverage are being specifically excluded. We have given some examples of those in the chamber recently. Awards will be overridden by agreements under this act. Awards will even be overridden by state agreements, which is the most profound and disturbing change of all.

How could such a modest sounding provision be so disturbing? Let us take a simple example. In Victoria when the Kennett government made its changes to the industrial relations legislation of that state and abolished award protections, nurses sought and gained coverage under the federal industrial jurisdiction. Their pay and conditions are now determined by a federal award. There is nothing more certain than if this bill passes with the provision that federal awards will be overridden by state agreements within a very short period of time every government-employed nurse in Victoria will be working on an individual employment contract. Certainly all the new employees will. A cursory reading of

Victorian newspapers makes it clear the Victorian government's policy is that people applying for new jobs or promotions must sign an individual employment contract.

What does this mean? It means a Victorian nurse who currently works under a federal award would lose sick leave benefits, long service leave benefits, annual leave benefits and possibly penalty rates on the weekends. I am sure that nurses in that position will not be impressed with the Prime Minister's rock solid guarantee that no worker will be worse off.

But our concerns do not end there. Under this bill the anachronistic process of discriminating against young workers on the basis of their age rather than their competence will be perpetuated. It is difficult to imagine in 1996 that anybody could be seriously proposing that two workers working next to each other doing exactly the same job could be paid a different rate of pay simply because of their age, not because of their competence, skill or experience but because of their age.

Eighteen-year-olds still have to pay rent; 18-year-olds still have to buy food. There are 18-year-old Australians supporting families. I say to all the government members who are so enthusiastic in their support of this bill: explain to young Australians why you believe their contribution is worth less than the contribution of others; explain to them why you seek to perpetuate a system of youth wages, aggravated by your policies allowing for the further discounting of wages for people on traineeships and apprenticeships.

If you go out to make that argument to young Australians, all I can say is that I wish you luck.

There are many other serious defects with regards to awards. For example, the power of the Industrial Relations Commission to develop paid rates awards, which are particularly appropriate for emergency workers, nurses and teachers, has been abolished. Paid rates awards have also been developed to suit the circumstances of Commonwealth public servants and they have been a very useful mechanism for industrial peace in the vital oil and airline industries.

This has been abolished. Why? What is the benefit from this change? Where is the economic benefit? Where is the social benefit? This constitutes an attack on the Industrial Relations Commission's powers, an attack upon the capacity of workers in those industries to achieve and maintain their working conditions, and a threat to industrial peace in vital Australian industries—for no conceivable equivalent benefit.

The third of our fundamental concerns is the concerted attack on the rights of working men and women to organise in their workplace and to make their collective concerns effective. The ability to take collective action is fundamental if you accept the difference in power in relationships at the workplace. It is fundamental if you accept that any of the 100 potential employees lined up outside a factory or office do not have equal bargaining power with the individual offering the job, not even when the individual is a decent and responsible employer, as most Australians are, and certainly not when you are confronted with a small but significant minority of employers who seek to take gross and unfair advantage of their power.

The worst example of the many attacks upon the collective rights of Australian workers is the proposal relating to right of entry. To seriously propose that no union representative can go to a workplace, even where it is established that there are members present, without a written request from a member which may have to be disclosed to even the most unreasonable of employers is to put the most vulnerable of union members in an invidious, if not an impossible, position.

Let us take the example of Tweed Valley. The Tweed Valley employer has said that the actions of union members in approaching their union about concerns in their workplace, even in their own time, constitutes gross misconduct warranting dismissal. How can anybody seriously contemplate that any such worker is effectively free to request the entry of their union onto their workplace under that sort of duress? That will not happen in most workplaces, but it will happen in too many and those who will be affected will be the weakest and the most vulnerable.

It is also a serious concern to the opposition to see the great emphasis this government places on penalties and punishment in this bill. A bill which claims emphasis on sweetness and light and cooperation is in reality all about penalties and punishment when you look beneath the surface. All the available penalties against workers and unions are increased and new ones are introduced, including the reintroduction of old ones that the High Court has already struck down.

Let me turn in the time available to some of the other provisions of this bill and make our general views clear in ways that I will further emphasise at the consideration in detail stage.

As I have said, the objects clause of the bill makes clear the loss of an emphasis on fairness in the single-minded pursuit of the goal of flexibility.

The proposed Office of the Employment Advocate is nothing but a charade. It is an attempt to provide the benefit of unionism to non-unionists and a move that can only have the effect of undermining the Industrial Relations Commission. The functions which the office is designed to perform should reside with either the Industrial Relations Commission or, in some cases, the Department of Industrial Relations, both of which have been mercilessly slashed in the budget cutting frenzy of the post-election period. One wonders where the staff are going to come from within DIR to provide the inspection process and the advising process, let alone the representative function.

The option for state award employees, in particular state government employees, to transfer to the federal jurisdiction is being significantly wound back, if not effectively eliminated. This seems a strange way to strengthen the right of freedom of choice, particularly for a government which argued for workers to have the right to choose the jurisdiction within which they wished to operate. We even find that where workers have ballots and vote to change jurisdiction, that is going to be overridden by these provisions.

Mr Reith—It's up to the umpire.

Mr McMULLAN—You have loaded the umpire's gun, I have to say to you—very substantially. You know you have because you have done it deliberately. It is one of your objectives. It has not happened by accident. I congratulate you in that you have at least done it deliberately, not by mischance.

Mr DEPUTY SPEAKER (Mr Nehl)—Thank you for your congratulations, but I have done nothing. Please address your remarks through the chair.

Mr McMULLAN—I regret to say that you may even support it, Mr Deputy Speaker. This certainly reinforces our concern about the implications of this bill for employees in Victoria and Western Australia particularly. It also creates a concern in Tasmania, and potentially in Queensland and South Australia, where state governments have suggested they are proposing to introduce bills reflecting the attitudes and priorities of this legislation.

In Queensland, workers' rights and living standards appear to depend upon the attitude of the independent member for Gladstone. Any independent assessment would suggest that up until now she has proven a rather unreliable bulwark. In these circumstances—she represents an electorate full of industrial workers—we hope she may choose to reflect the interests of those workers in this matter so that workers in Queensland will not be subjected, as are those in Victoria, Western Australia and Tasmania, to the worst features of this bill.

In South Australia it is the balance of power in the Legislative Council that stands between workers and the worst aspects of this bill. In New South Wales, when the bill was drafted the only protection against these bills was the one-seat majority of the Carr government. I am delighted to say that, due to the excellent efforts of, amongst others, our former colleague and former member for Page, the newly elected member for Clarence, Mr Harry Woods, the rights of workers in New South Wales are a little more secure from the depredations of this government.

We have two concerns about the circumstances confronting independent contractors. With the changing nature of work, this is an issue which will become of increasing import-

ance. Anybody who has had any experience in the construction or transport industries, for example, should know that often the creation of independent contractors is an entirely artificial device—not always but often—imposed by contractors to avoid the obligations imposed by the current industrial relations system to provide fair wages and working conditions.

Mr Charles—Absolutely ridiculous.

Mr McMULLAN—You think it never happens? That is a fairy land in which I hope you may continue to reside. This bill, by its acts of commission and omission, will allow unfairness to independent contractors, many of whom are forced into those devices as the only vehicle for gaining employment in their chosen trade. It will allow unfairness to those workers to be extended and accentuated and will make it harder for effective action to be taken to protect them.

With regard to the controversial issue of unfair dismissals, what is most remarkable about this bill is that, for all the sound and fury before the election, the process being outlined in this bill after the election does not differ in significant ways from that outlined by, and currently in operation under, the amendments which came into effect on 15 January 1996.

But one thing these changes do is leave a gaping hole in the coverage of the federal unfair dismissal jurisdiction. If it is protection that is worth having—and the minister himself has said that it is a protection workers should have—why should some be denied access to this regime? Furthermore, why should the compensation to which workers are otherwise deemed to be entitled be limited by their employer's financial circumstances?

The problems with this proposal are evident once you give it more than a moment's thought—apart from the disturbing principle that we are introducing a 'capacity to pay' element into a compensation area where it has not been seen before. Let us look at the practical implications of this proposal. It means that two Australians, treated similarly in every other way, might receive different compensation simply because one works for a shelf company, for a company which has no

assets and no capacity to pay, or for an unsuccessful or unprincipled company that can create the impression that it has no capacity to pay.

Even more perversely, what this proposal means is that successful companies are treated unfairly compared to their less successful competitors because they have to pay a higher level of compensation—in effect, they have to pay a penalty for their success. It seems they are penalised for generating a greater capacity to pay. So while, superficially, this provision may appear attractive, it requires careful consideration. On balance, it cannot be supported.

Perhaps saddest of all, we see a conscious attempt to take out of the legislation the capacity of the Industrial Relations Commission to set minimum standards in vital areas such as minimum wages and equal remuneration. We set for ourselves as a country—or we used to—a standard of international best practice. Why is international best practice not good enough or not appropriate as a standard to be applied to the wages and conditions of working men and women in Australia?

We have many other concerns of a detailed nature about this legislation. As I have said, we will take such opportunities as are made available to us to make this clear. At this stage, we intend to move up to 200 amendments in an attempt to improve this flawed bill.

Mr Reith—All drafted by the ACTU, I suppose.

Mr McMULLAN—Would that I was so lucky. This is a bill which is based on a fundamentally flawed analysis of the nature of workplace relationships; a bill which looks only at the economic consequences of those relationships and fails to appreciate their social consequences; a bill which assumes that individual workers come to the bargaining table with their employer in a position of equality and therefore in a position to be able, without outside assistance, to negotiate a fair and reasonable outcome.

This bill is based on the assumption that the labour contract is just a contract like any other. Views like these threatened industrial

peace and the rights and living standards of Australians in the 1890s. It is bizarre that they should be promoted as modern concepts in the 1990s. They deserve to be rejected, as Australians have always rejected them. Therefore, I move:

That all words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the Bill a second reading, the House is of the opinion that the Bill should not be proceeded with, for the following reasons:

- (1) it breaches the Prime Minister's "rock solid guarantee" that no-one will be worse off;
- (2) it opens the door to cutting youth wages and introducing a \$3.00 per hour youth wage;
- (3) it removes the fairness which is entrenched in the existing industrial relations system;
- (4) it does not recognise the legitimacy and desirability of employees organising and bargaining collectively;
- (5) it proceeds from a fundamentally flawed assumption that the parties to the employment relationship have equal bargaining power;
- (6) it severely restricts the central role of the Australian Industrial Relations Commission in the industrial relations system;
- (7) it undermines the award system as the dynamic framework for the protection and advancement of wages and conditions;
- (8) it removes workplace and enterprise bargaining from the protections of the Australian Industrial Relations Commission;
- (9) it will aggravate problems of inequality for women, young people and those most vulnerable in the labour market;
- (10) it fails to provide a core framework for the prevention and settlement of industrial disputes;
- (11) it emphasises the punishment of industrial action rather than its resolution; and
- (12) it fails to ensure that Australia's labour standards meet our international obligations."

Mr O'Connor—I second the amendment.

Mr DEPUTY SPEAKER (Mr Nehl)—I call the honourable member for La Trobe.

Mr CHARLES (La Trobe) (11.25 a.m.)—Thank you, Mr Deputy Speaker.

Opposition members interjecting—

Mr CHARLES—Calm the rabble down and give me a go. Fair dinkum! I am delighted to rise today to support the introduction of the Workplace Relations and Other Legislation Amendment Bill 1996. I take this opportunity to congratulate the Minister for Industrial Relations (Mr Reith), who is at the table, on a fantastic job in producing a bill that represents precisely what it was that we took to the electorate during the recent campaign leading up to the 2 March election of a new and sustainable Howard government.

This bill represents a major step in a long-standing and partially overdue reform process. Mike Richards in the *Age* on the 27th of this month perhaps encapsulated some of my views when he said:

While no doubt unions will say the legislation goes too far and employers will say it does not go far enough, it is, nevertheless, an initiative that deserves broad community support—for several good reasons. The first and most obvious is that the Howard Government has a clear mandate to introduce it, and the Reith bill closely follows the policy proposed at the March election at which the coalition scored a very handsome majority.

The second (more important) reason is that the reforms are fundamentally necessary; much of the bill simply pushes on with long-overdue reforms in line with the trend that the Keating Government began, but was politically unable to complete.

Mr Deputy Speaker, the history of industrial relations in this nation is as long and as old as the nation itself. The constitution, I would remind you, includes a clause which gives a power to this federal government to make laws with respect to settling disputes that occur across borders between states. We have moved a long way from that time. In 1904 the first Industrial Relations Act was passed, and that really established the basis for what we have had in this country for a very long time.

You will recall, Mr Deputy Speaker, that we established the Conciliation and Arbitration Commission which sat as judges between two warring parties: on one hand, the employees, generally represented by their unions; on the other hand, employers, sometimes—if they were large enough—represented by themselves, but frequently represented by their employer bodies. This mechanism grew and grew in bureaucratic procedure in order to

deal with disputes and finally then became a wage and condition mechanism-setting body and set of procedures.

We have heard for a long time about the industrial relations club. It really is a union between the unions and the employer bodies and the present AIRC—no longer the arbitration commission. I spoke about the club in my maiden speech in this House in 1990. The club mentality must come to an end. We have to get this thing called workplace relations, industrial relations, personnel management—whatever you want to call it—back to employees and employers working together for the good of the company, for the ultimate good of all of us. This arbitrary divide of setting a judge and a system between two warring parties was for such a very long time a major part of the system itself.

We inherited craft based trade unions from Great Britain. For a long time part of our biggest problem was that the unions fought amongst themselves for coverage, so we had demarcation disputes. We had heaps of those. But the craft based trade unions also brought with them the concept of 'them and us'. They brought class differentiation into a country where class had never developed. The unions have constantly proposed that there is a class war and that they are there to protect the rights of the downtrodden. I believe that unions have a very important role to play in workplace relations and industrial relations—whatever you want to call it. It has an important role to represent employees who want to be represented. That is an important point that I will come back to later when I address the specifics of this bill.

We based the system on the proposition that the independent umpire would keep peace between the parties without using a big stick to make them comply. What we have seen generally, at least over the last couple of decades, has been, on one side of the equation, employers required to keep faith with decisions by the AIRC and, on the other side, unions which have generally ignored orders of the commission and gone their own separate way.

For a long time this country lived with national wage cases where this independent

umpire said that everyone should receive an increase because there had been an increase in inflation—and we did not have many decreases. So the CPI increase itself had to be taken into account when setting wages. The independent umpire, the commission itself, heard national wage cases for a long time.

For so very long, we have had a protected society in Australia. It was a very paternalistic society where the people assumed that government, government bodies, boards and commissions like the Industrial Relations Commission, did the best that was possible for everyone and meted out uniform justice. We had tariffs at a very high level to protect manufacturers. The Industrial Relations Commission was a highly interventionist body to protect the wages and conditions of working people. We had a regulated currency. We had a banking system that was highly regulated and was not allowed to face the cool wind of international competition.

I give the previous Labor government credit for continuing, over the last 13 years, some of the reforms commenced by the Prime Minister (Mr Howard) when he was Treasurer and finally deregulating the dollar—floating the dollar brought us into the international community—allowing competition for the banks by opening up the banking industry, and reducing, at a scheduled rate, tariffs. Whitlam's 25 per cent whack at one time was pretty bad for this country. It caused us heaps of problems. I have to say that the constant reduction in tariffs has been good for Australia because it has forced us to compete in the international marketplace.

What the previous government forgot to do—in fact could not do because it was so tightly controlled by its ACTU and union mates—was deregulate the labour market. It deregulated the financial market, it deregulated industry and it left the labour market highly controlled. There is no other country in today's modern industrialised society that has been able to run such a system successfully.

During the last six years the ACTU finally realised that, with declining union membership, all of these small craft based trade unions could not survive. So, at their insis-

tence, the then minister, Senator Cook, brought in a bill which required unions to amalgamate. Now we are faced with all these huge super unions, many of which are warring parties internally, because what they did was amalgamate unions with a different political philosophy, and it has not particularly worked.

The system was modified during the past five years to finally allow limited enterprise bargaining—not open but limited enterprise bargaining—which is still under the purview of trade unions. The Brereton Industrial Relations Reform Act 1994 was supposed to be designed to give effect to commitments made by the then Prime Minister, Paul Keating, at a conference of the Institute of Directors on 21 April 1993. At that conference, Mr Keating said that he wanted to create a modern industrial relations system; he wanted to reduce the complexity of awards so that awards became core conditions of employment only. In fact, awards become a safety net. He saw a system where non-union employees would have the right to negotiate with their employer free of union interference. They could negotiate with their employer, strike a deal and get on with their lives in order to make their place of business as efficient as humanly possible.

The Brereton act also brought in unfair dismissal rules. This was justified by use of the external affairs power of the constitution—a device which we had been hesitant to use on this side of politics. Wherever one goes in Australia and wherever one talks to either big industry or small business, it is apparent that the unfair dismissals legislation is the one part of the Brereton reform act which is most detested. It has stifled employment opportunities. It has caused employers to rethink time and time again about putting on extra staff that they might well use because of the difficulties that they were likely to encounter if they needed to shed staff at some future date and for some specific reason.

The Brereton reform act, which was supposed to deliver us to the heaven of industrial relations practice, in fact, took us back the other way. It was a pay-off to the unions.

That is what it was. It was clear and simple. The unions went out on the streets in the 1993 election and helped return the ALP to power. The unions then demanded their piece of gold. They got it. They got it from Laurie Brereton in the Laurie Brereton March 1994 Industrial Relations Reform Act.

In August 1992 there was an editorial in the *Australian Financial Review* which said, amongst other things:

For much of its modern history Australia has had an unusual, national obsession with industrial relations . . . by international standards, the debate has been unusually vociferous and unhealthily preoccupied with the centralised institutional structures of the industrial relations system rather than with performance in the workplace.

The bill that we are addressing in the House today, and which before long will be addressed in the other place, attempts to answer the question posed by the editorial in the *Australian Financial Review*. I would be the first to admit that the bill is long and complex. By the time it is added to the Industrial Relations Act 1988 and amended, as it has been many times, we will have a very thick document representing workplace relations legislation and statute in Australia. The amount of paper is necessary in order to deregulate the system, in order to do it fairly and to make sure that during this transitional stage employers and employees know what the game is all about, they understand what the rules are, where the boundaries are and that there is some protection built into this system and there is fairness and balance built into what we are trying to allow Australians to do for themselves when they go to work.

We are saying that it is long past the time for this federal government to quit its paternalistic attitude to our hours of work. Why, for instance, should you or I have the right to tell an employer how he must deal with an employee who wants to deal with his employer on his basis and on his own terms? We have to get rid of the assumption that we know better than everyone else and that mature adults in Australian society cannot make judgments for themselves without unions, commissions or parliaments to tell them what they should and should not do. We have to allow people to act as mature individuals and

to work together to accomplish things for the common good, and for themselves as well.

The objects of this bill are important. The objects of the bill focus the system on giving primary responsibility for industrial relations and agreement making to employers and employees at the enterprise and workplace levels, with the role of the award system confined to providing a safety net of minimum wages and conditions; ensuring freedom of association; the avoidance of discrimination; and assisting employees to balance their work and family responsibilities effectively. They are admirable objectives. I firmly believe that the detail of the bill enforces those objectives. The detail of the bill will make sure that the objectives are finally achieved and that we will not have a totally deregulated labour market in Australia, but we will have made a transitional step which will allow employers and employees to work together.

Essentially, the bill creates two bargaining streams. One is called Australian workplace agreements, which will be deals which are made between employees and employers in a workplace where there is no union involved. I remind the House that union membership has been dropping dramatically over the past two decades and is continuing to fall today. Unions are not exactly the flavour of the month with the workplace itself. There is no reason that I can think of—particularly where unions in the private workplace represent only 25 per cent of employees—that if there is a workplace where there is no union involved, the employers and employees cannot get together and decide on wages and conditions. Why do they need a paternalistic union to tell them how to do it? The answer is that they do not. All we need is to give them a bit of a safety net to make sure they cannot be ripped off, abused or taken advantage of or, in fact, that the employers cannot be ripped off, abused and taken advantage of too.

The second stream is the certified agreements. That leaves in place the award system with awards, over time, reduced to core conditions as a safety net. They will become the basis of the bargaining point. The bill will provide that you cannot pay less than that.

Safety nets have been built into the bill in terms of a commitment that no worker will be worse off because of the no-disadvantage test put into this legislation. That test very simply says that if you are on an award and you want to go to a certified agreement or go to an Australian workplace agreement, you may make an agreement with your employer. Your employer is required—in terms of that new agreement collapsing in payments and collapsing in conditions—at the end of a period of time, to make sure that your pay will not be any less than what it would have been had you been paid strictly under the conditions of the former award. That is important. Awards will now become purely a safety net.

It is important that in this legislation we will finally guarantee Australians freedom of association. I remind the House that in 1990 I introduced into the House of Representatives a bill for freedom of association. I reintroduced it nine months later. For some reason, the Australian Labor Party—there are a few members on the benches on the other side—rejected my bill because they said we needed compulsory unionism and we needed a closed shop. I say that every Australian is equal and every Australian has the right to join or not to join any association that they like. Both those principles are important. We enshrine in this legislation the right to belong, so no-one can tell you that you cannot belong, and the right not to belong, so no-one can tell you that you cannot not belong. That is very important.

We moved secondary boycotts back to the Trade Practices Act, where they belong. Laurie Brereton removed them with his reform act. He should never have done that. They are a central protection for companies which are not involved in industrial action so that they do not suffer damage and harm by secondary boycotts.

The issue of unfair dismissal has been dealt with comprehensively. We will now have a fairer system which is fair to all—fair to the employee and fair to the employer. We do not want a system where people are able to be dismissed without reason and without just cause. By the same token, the burdensome bureaucratic procedures that were built up

under the former act made it absolutely intolerable for employers to hire new employees. This act gets rid of the monopoly rights conferred on trade unions. (*Time expired*)

Mr MARTIN (Cunningham) (11.45 a.m.) —It is with a great deal of pleasure that I rise to speak in support of the amendment moved by the honourable member for Canberra (Mr McMullan) to the Workplace Relations and Other Legislation Amendment Bill and to make some comments on the bill. Perhaps I will give some philosophical background as to why the government has chosen to bring this bill into this place and talk about what I see are some of the severe limitations this bill will place on an area that I represent, that is, the city of Wollongong, in the great industrial heartland that is Australia. If anyone in this place should know something about industrial relations legislation and its effect on industrial areas, it would be me, my friend the honourable member for Charlton (Mr Robert Brown), who is in this place, and other members who represent the steel-making areas of Australia.

It is extraordinary that when you look at the background to this legislation, which this government has chosen to bring in, you find all the bad things that we have been trying to eliminate from our industrial areas suddenly being highlighted once again. There is no doubt in my mind that the workers of Wollongong in the steel mills, in private industry and in the coalmines will see this as just one further great con.

A number of years ago people constantly talked about deregulation of the labour market. Every second newspaper in this country would at some stage write an editorial based on some right-wing industrial advocate's views as to what was needed in this country. They talked about deregulation of the labour market, the need to free up the workplace and the need to free up the opportunities for working people to sit down with their employers to bargain about terms, conditions and salaries for workers in those enterprises. They reported as if there was something abjectly wrong with the present system.

Quite obviously, any close examination of what this term 'deregulation of the labour

market' meant to many of these people suggests that these people thought they wanted to put down the conditions and salaries of the workers so that the profit margins and the profit levels of companies and individuals in this country would blow out. What have we seen in recent times? Have we seen company profit levels fall in the last several years? Have we seen people in the business community and the business leaders taking cuts of several hundreds of thousands of dollars to their massive salaries? No, we have not. We have seen those profit levels go through the roof.

Yet people are still out there saying that we need greater flexibility, that we need more deregulation in the labour market—it was the one thing that the Keating government never got around to doing. We deregulated in the financial markets and in a whole range of other areas, but in this precious labour market, where we wanted to see employers given the responsibility for determining conditions of employment and salary and wage levels, this former government just did not quite get around to it. What an absolute joke! The amendments to the industrial relations legislation that my colleague the honourable member for Kingsford-Smith (Mr Brereton) had brought into this place did go that way.

There are some other issues which I am sure members in this place, particularly those on the other side of the House, will talk about. I specifically refer to things like the way in which the bargaining process takes place or the unfair dismissal laws that everyone is concerned about. You would think that this Labor Party when in government did nothing about that. Yet in early January-February of this year substantial changes were made to parts of the Industrial Relations Act, which meant that unfair dismissal laws were not—to quote those on the other side—'draconian'. I do not think that they were draconian.

We were trying to protect the rights of workers and the weak in our community—those who did not have the bargaining powers, people from non-English speaking backgrounds, people who needed assistance, support and guidance, particularly from the

union movement. I actually could not see too much wrong with that. But obviously some people did.

People, particularly those on the other side of the House, would often argue about the role of the unions. I have heard my friend the honourable member for La Trobe (Mr Charles) talk for a number of years in this place about unions and how dreadful they are. I will tell you this: I have been a member of a trade union since I was 17 years of age, and I have been proud to be a member of a trade union. The unions that I have belonged to, relating to the various occupations in which I have worked, assisted me and my fellow workers by ensuring that we got a fair go, that the conditions of employment were adequate, that agreements could be entered into from time to time about salaries and wages and their conditions, and that our rights to speak up about any concerns we had were protected. Frankly, I do not see anything wrong with that either. I see absolutely nothing wrong with that.

Yet as a concept, many—not all—on the government benches are ideologically driven to say that all unions are dreadful and must be stamped out. To the House and to anybody who is listening to this debate, I say this: make no mistake about it, this legislation—although introduced by the honourable member for Flinders, the Minister for Industrial Relations (Mr Reith)—has the fingerprints of the Prime Minister (Mr Howard) all over it.

For many years the Prime Minister, when in opposition, paraded himself around this country advocating smashing the trade union movement, advocating bringing in legislation which would deregulate the labour market—that famous phrase that we keep going back to—and here it is. Yet if for some reason this country were in the grip of massive industrial turmoil, if for some reason we found that days lost through industrial disputation were going through the roof, people might say, 'Hang on, maybe we'd better have a look at this again.' But are they? They are not.

This is a graph showing stoppages from industrial disputes since 1976. They peaked in 1981—it was not us who were in government at the time—and went down when the

Labor Party was in government. Does that not tell a bit of a story? It certainly does, yet people still say, 'Trade unions are terrible. All they did was go out there and shut down the waterfronts, shut down the steel mills, shut down the clothing factories.' That did not happen—a great myth. If they did go out on strike it would have been to protect the workers for some reason.

Let me refer to the Illawarra, the city of Wollongong, once again. My colleague the member for La Trobe made great store of the fact that we have at the beginning of this Workplace Relations and Other Legislation Amendment Bill 1996 much of the principal objects of the act. He referred to paragraph (b) particularly, which states:

... ensuring that the primary responsibility for determining matters affecting the relationship between employers and employees rests with the employer and employees at the workplace or enterprise level;

That is absolutely dead right. What have we seen in the Illawarra in recent times? Let me give you a couple of examples. About four or five years ago the decision was taken to build a new crossing for Sydney Harbour. Transfield won the right to build that second crossing for the harbour, which was to be under the water. In order to do that, new technology was put in place. The concrete blocks were manufactured in Port Kembla and floated up to Sydney, sunk in the harbour and joined together and now cars drive through it.

In putting that together, though, there was clearly a need for the trade union movement and the workers in Wollongong who were working on that project to get together with the company, Transfield, and come up with an enterprise agreement which would satisfy everyone's needs. Guess what? They did. Do you know how many days were lost from day one of that project to when the last of those pieces was finally floated up to Sydney to create the second crossing for Sydney Harbour? Half a day was lost through industrial dispute—and that was a mistake because somebody forgot to tell somebody else about a roster system. That was it. The workers were happy; the company was happy. It was an enterprise agreement which set some hallmarks in an area like Wollongong which

in years gone by had, unfortunately, enjoyed a rather unsavoury reputation in industrial relations.

In days gone by people thought that as soon as somebody spat on a platform somewhere everybody in the steel industry, the coal industry, the construction industry, the shipping industry, or whatever it might have been at Port Kembla and in Wollongong generally, would go out on strike. Not any more. That was the first of one of these major agreements that was put in place. The trade union movement, the South Coast Labour Council and representatives from a whole group of other major industrial organisations sat down with the company and put one of these industrial agreements together. That was the first of many.

Another agreement, the west tuna and bream B platform construction agreement, was made between Esso-BHP and the trade union movement to construct platforms. It is still under way at the moment. It is in the same location where Transfield built the concrete structure pieces for the second Sydney Harbour crossing. This is happening there as we speak. This agreement was put together on 16 April 1993. It talks about flexibility arrangements and the specifics of what happens with inclement weather.

In years gone by people would walk off the job if it started to rain. That does not happen any more—not under this agreement. People are there. Occupational health and safety considerations must be taken on board and that is right. They are built-in here. There are consultative mechanisms about what happens between the unions, the workers they are representing, the workers themselves and the company.

Do you know what? Everyone is pretty happy about this. The workers are getting a decent wage for a decent day's work down there. The hours are in place for what they have to do. The company is quite happy, although not that happy because its design was a bit faulty at the beginning and it is taking a bit longer to build than first thought. Nevertheless, there is another enterprise agreement in considerable detail outlining all the terms and conditions of the arrangement

between employees and the employer to build something of great significance for the economic wellbeing of this country. The floating platforms will be towed down to Bass Strait so that they can get on with oil exploration.

No-one has objected to that agreement. There have been a couple of problems down there where one or two days have been lost in dispute over a particular safety issue but in the broad the consultative mechanism is there. People know how they are to go about dealing with problems like that. Everybody is happy.

Another example is the No. 6 blast furnace project. BHP is hardly a small employer. It is a company that, even if it did not want to, could take on the trade union movement generally and probably win a few points. Here is another enterprise agreement that has been struck between a variety of representatives of the trade union movement in Wollongong—the TWU, the AWU, FIMEE, the CFMEU, the ACTU, the New South Wales Labour Council and so on—and the company, BHP.

The No. 6 blast furnace project was to totally rebuild the No. 6 blast furnace. Guess what? It has been done. This agreement was signed and it has been built. I cannot recall whether any days were lost through industrial disputation. The grand opening was a couple of weeks ago. This is another example of how things have moved along under the present industrial legislation.

To some extent it begs the question: if it ain't broken, why fix it? Yet here we have the government of this country ideologically driven, for some reason, to say, 'We've got to smash the union movement because they can't be trusted to sit down and bargain with employers. We've got to give more might to employers to settle wages and conditions for employees.' Under this legislation, we will have circumstances where those people who are less able to bargain for themselves—the young, those people from non-English speaking backgrounds—become subject to undue pressure. There is no remedy here. Despite what the minister said, the Australian Industrial Relations Commission is having its responsibilities gutted. Where is the protection? And saying that the unions are not

going to be involved to look after these people unless they are specifically invited in is just nonsensical.

A cooperative society has been developing in Australia over years now. It has represented an industrial heartland region like the Illawarra where all of this is now happening. Employers and employees have been sitting down for years. I cannot be any more praiseworthy of the union movement in their willingness to sit down and look at ways in which the members they represent get a fair deal. They are not out there for some grandiose reason; they are there because they want the men and women whom they represent to get a decent salary for a decent day's work. They always have and always will.

The AWU, FIMEE, CFMEU and the TWU—all those unions in Wollongong—have representation and leadership which should be copied around Australia, not pilloried and held up to ridicule by those opposite who say, 'We've got to get rid of these people.' Trade union leaders in Wollongong lead by example as to how they can sit down and bargain with employers. BHP ain't mugs. If they wanted to, I am sure they could look at ways around all this, but they sit down and cooperatively get together and argue the toss about issues and then bring out certified agreements like this, enterprise agreements that have been put in place, and get the job done.

I lament the fact that changes which this government feels are necessary in industrial relations in this country need a document that is this thick and requires an explanatory memorandum as thick as this. I despair that, when specifics of the legislation are put in this place to the minister, he is unable to give rock solid guarantees that no worker will be worse off under this legislation. He cannot because workers will be worse off. That is the fact of the matter. Yet the Australian Industrial Relations Commission has had its powers gutted, almost gone. An Employment Advocate will be established. What a joke that is!

We have heard examples of youth wages given in this place. We all remember the old Jobsback policy of 1993 and the \$3 an hour youth wage. As has been demonstrated by the shadow minister for industry, he was wrong.

It wasn't \$3 an hour; it was \$3.05 an hour for young people in this country! Under this legislation, when people are not at work, when they are out getting professional training and professional assistance—either through the TAFE system, skillshare or accredited training enterprises where apprentices and others get assistance—that is not to be counted. Yet people are expected to live on that wage.

I do not disagree with the right of the members of the Liberal and National parties in this place to have a different view of industrial relations from those in the opposition and to think that they need to bring some changes to the system. However, this bill is a great con. I object to its being held up under the banner of deregulating the labour market when all it is aimed at doing is smashing the trade union movement and making those in the community who are less able to look after themselves subject to unscrupulous employers. Not all are, I concede that; most employers do the right thing. I am sure there are many people in this place who have had employees come to them to talk about problems they have with employers. The amendments that we are proposing should be supported. (*Time expired*)

Mr BRADFORD (McPherson) (12.05 p.m.)—I have listened with great interest to what the member for Cunningham (Mr Martin) has said. He criticises us for being ideologically driven. After listening to him for 20 minutes, I can only make exactly the same criticism of him. He and members of the opposition, by and large, are intelligent people—I know the member who will speak after me is an intelligent person—but how can they stand in this place and say, 'If it ain't broken, don't fix it?' It clearly is broken. The Australian people recognised at the election that the system was broken and they gave us an enormous mandate to fix it. If it takes the number of pages that the member for Cunningham is complaining about, then so be it. If it takes twice as many pages to fix it, let's do it. That is what we have been elected to do.

What does the member for Cunningham think we are on this side—masochists? Are

we looking for something to do? Heaven knows, we have a thousand things that need to be done to fix this country up. This just happens to be one of the most important things. That is why we have chosen it as a priority. I congratulate the Prime Minister (Mr Howard), the Minister for Industrial Relations, the member for Flinders (Mr Reith), and indeed the member for La Trobe (Mr Charles) who has spoken before me and was instrumental in putting this workplace bill together. I congratulate them because what they are doing in bringing this legislation before us in this place is delivering on an election commitment that the coalition made to fix up the industrial relations system.

I want to assure the member for Cunningham and others who are listening that this legislation is not a con, it is not about smashing trade unions—although, as I will demonstrate in the course of my remarks, I believe they have an awful lot to answer for. I will not pull back from that view at all. I am one person in this place who has been consistently critical of trade unions, although in my remarks today I will tend to be a little even-handed.

As I said, this legislation is not about smashing trade unions; it is about making them accountable. This legislation is about treating trade unions like any other Australian and not giving them a status above the law, not giving them a monopoly, and not allowing them to consistently abuse the powers they have. Would the member for Cunningham go so far as to defend the Builders Labourers Federation and other such trade unions? No, because he would be defending the indefensible, and he knows it. The members who speak opposite in this debate are ultimately defending the indefensible. I think a lot of them actually know that and recognise it. It is no use saying, 'Steady as she goes, she'll be right, mate,' because things are not right; they need to be fixed.

The member for Cunningham talked about BHP as though it is the be-all and end-all, but there are 700,000 small businesses in Australia which need these changes. They are not BHPs. They need flexibility because of their geographical and other differences. The

hallmark of this legislation is the flexibility those small businesses will have to manage their workplace relationships where they are best managed, and that is at the workplace.

What is right for BHP is not right for the 700,000 small businesses in Australia. If BHP, NAB and other big corporations are making large profits, let me tell the member for Cunningham that most of the small businesses in this country are not. They have suffered under 13 years of the previous administration primarily—though not only—because of the industrial relations system that they were forced to exist within.

If the member for Cunningham thinks that industrial disputation is a measure of the success of the existing system, let me tell him that it is not. The low level of industrial disputation is the product of an economic environment where we have a million unemployed. It is a product of a system where there is a level of accommodation reached between management of major corporations and some unions at the expense of workers, and certainly at the expense of the hundreds of thousands of Australians who have been thrown onto the unemployment scrap heap as a result of the arrangements that have been put in place and perpetuated.

The present system might suit BHP very well but this legislation recognises that it does not suit the majority of employers or, indeed, the majority of workers in this country. When the minister introduced this bill, he said:

This is an important day for job seekers, for individual workers and their employers, for trade unions and employer organisations, and for the community generally. Importantly, it delivers on one of the government's key election commitments, and that is the reform of Australia's industrial relations system.

Let me pose the fundamental question again, despite the remarks of the member for Cunningham: can there be any serious doubt about the need for reform? The system has been crying out, screaming out, for reform for many years. Australia has been staggering under an outmoded system for far too long. As Alan Wood said—it is important in the present environment to give due credit to any source that I rely on—in an excellent article in the *Australian* recently, it is a

system of industrial relations put in place shortly after Federation, 100 years ago, and it clearly could not and cannot meet the demands of the 1990s. That is despite the tinkering at the edges that occurred under the previous government, which is all it amounted to. Mr Wood went on to say that it is a system based on out-of-date unions and—to be even-handed about this—out-of-date management. I agree with that. But why has this system been perpetuated despite its obvious—they are obvious to most of us—failings? Why has it lasted so long?

I think it has lasted so long simply because, like other bad practices which have survived against the odds, it conferred privileges on a few powerful groups who were quite happy to see those privileges entrenched, who were quite happy to put their interests ahead of those of others who were much less powerful. Perhaps that is human nature. Perhaps it is part of the Australian psyche in some respects. Maybe it was partly out of sheer ignorance and the forlorn hope that all we had to do was sit back and wait for cardigans to come back into fashion.

I do not think the situation has been perpetuated over the last 13 years because of ignorance. I think that those who benefited from the system knew its deficiencies and weaknesses but were not prepared and, in some respects, were not able to make the changes. I believe that those people are culpable, and I use that strong word advisably. They have caused enormous distress to thousands of Australian families. They have wrecked the hopes and aspirations of a generation of young people.

Who are these people that I speak of? Some of them are sitting in this chamber now, or will be in the course of this debate—union leaders, former ACTU presidents, who stood by and, through their acquiescence, allowed thousands of Australians to be thrown onto the jobless heap. Understandably, in this debate they will seek to justify their actions. I will be here listening intently to them but, as I said, they will be defending the indefensible.

Rather, let them apologise to our children for what they have done. I do not want to

hear their rationalisations for their actions. I want to hear some contrition. We have not heard one word of apology from members opposite for the havoc they have wreaked on Australians over the last 13 years through the huge debt they have saddled us with and the enormous level of unemployment they have created by their policies.

As I said earlier, it is not only the union leaders who are to blame. I think their culpability is shared by those managers who—and I emphasise again what Alan Wood pointed out in his article—have been content to let the unions and the Industrial Relations Commission run their employee relations and wages policy for them. Whether they did it by intimidation or sheer neglect does not really matter. The fact is that they did. Those managers, with some obvious outstanding exceptions such as the CRA management, for example—and they do not like hearing about CRA one bit on the other side of the House, I am sure—have preferred to remain in their own little privileged comfort zones rather than take the hard decisions which, ironically, would have been in the best interests of their own employees as well as of Australians more broadly.

The changes proposed by this legislation have been clearly spelt out by the minister and, no doubt, will be debated in detail in due course. The principal object of this legislation is to establish a framework for cooperative workplace relations which promotes the economic prosperity and welfare of the Australian people. Let those who argue against these changes show that that will not be the outcome. I ask them to put aside the ideology of which they accuse us—put aside the ideology which many of them, I suspect, have been indoctrinated with—and get real about this. I listened to the member for Cunningham, and as I listen to others I am sure I will just wonder where they are coming from. They should get real about the situation that exists in our country today.

The former government was, to its great credit—and I do not say that lightly—prepared to take some of the hard decisions. Its leaders knew what was demanded of them in a rapidly changing world. They accepted—

some of them perhaps reluctantly—the need for deregulation, corporatisation and privatisation. They accepted much of the capitalist dogma which was anathema to many of them a few short decades ago.

But they stopped short, and that is what this legislation is now about. They could not bring themselves to put the crucial pieces of the jigsaw in place. When the tariff walls came down and when other practices which entrenched inefficiencies—and these came at a time when we could afford them—were discarded, uneconomic wage levels were protected with disastrous results—a million unemployed. Many of those unemployed were young people and many of the unemployed remain to be young people. That is the result of the former government's inability to put the final, crucial pieces of the jigsaw in place.

The dangerous by-product of this was inevitably a welfare system which has taken us well down the welfare state track. Under this system, the rich have got richer and the poor have got poorer. So we have a welfare system which is not aimed at assisting the poor and disadvantaged, but one which holds out the false, flawed hope of economic salvation for those failed by a system which, of course, could never be sustained in the real world. It led more or less directly to a huge and unsustainable level of debt—

Mr Laurie Ferguson—This is plagiarism of your earlier speeches.

Mr BRADFORD—The shadow minister is right to the extent that I have made some of these remarks in the House before, but they are particularly pertinent today.

Mr Prosser—Your views have been well known and well based.

Mr BRADFORD—Exactly. They are both well known and well based. Today this debate focuses on some of these issues which I have been talking about on the other side of the House for six years. I am one of the happiest people in the parliament today because I am on this side of the House. We are doing something to fix up the things that I talked about for six years while in opposition. So, if the member wonders why I have a smile on my face, that is the answer.

So this welfare system that they created to fill the gaps with the problems that popped up, inevitably because of the other problems they created, led to the huge debt we have. That is the former government's legacy to Australia. That also led to higher taxes, because they had to pay the bill. They borrowed a lot to pay the bills. The other part of the equation was to increase taxes, particularly on small businesses, in order to pay the bill. Of course, that itself led to further unemployment.

Having said all of that, I do not pretend that this legislation will solve all of our problems. There are many other challenges for this government as it seeks to undo a decade or more of family-destroying social engineering and political correctness—and I am sure the shadow minister will like those words, which he has probably also heard from me before. But this legislation, notwithstanding, is very important. It gives us a chance, and Australia took that chance when it pulled back from the brink on 2 March 1996. It said, 'Enough is enough. We want change. We're not happy with what the former government has delivered in terms of a million unemployed and an almost \$200,000 million debt.'

Maybe this legislation, perhaps I could observe, does not even go far enough. There are certain political realities and imperatives which in many respects still make it second best compared with, say, the New Zealand situation. But we have taken a step in the right direction.

Let me put on the record my views about the opposition's second reading amendment. Paragraph (2) says 'it opens the door to cutting youth wages and introducing a \$3 per hour youth wage'. Let me make this quite clear. I have three young children, and I would rather my children have a job at \$3 an hour than be on the dole at \$5 an hour. I think that is a view that would be shared fairly widely in the Australian community. Is that too stark? Is that too simplistic? Maybe it is, but that is my view. That is my aspiration for my children—a job at \$3 an hour. We are not talking about that but, if we were, a job at \$3 an hour is preferable to the dole at \$5 an hour.

Members on the opposite side should not get up and tell me that my children will somehow benefit from a negation of the change that we propose. Let's not hear all the old class war cries trotted out by the opposition and the Democrats who, in my view, represent the greatest threat to our future. We have no option but to take these steps that we are taking here to reform our industrial relations system.

The debate about economic rationalisation, which has largely been grasped by most of us in this place, rages on in many quarters. Perhaps we will be proved to be wrong. Down the track somewhere we might look back on these times and say, 'Well, maybe we could have wound back the clock and put up the barriers again, locked out the exports; maybe we could have created a higher wage utopia behind the walls'—but I doubt it. That is what the former system tried to create—and it did create it while cardigans were in fashion, as I put it before. There was a time when that system worked, but that time has gone. In part, this legislation recognises how much times have changed.

The credit I pay to the former government for many of the changes that it made I do not retract. I have been balanced. But unions have a lot to answer for; presidents of the ACTU, two of whom are in this place, have even more to answer for. Some managers have a lot to answer for because they took the easy way out in those good times. It was easy to agree to union demands. Behind high barriers of protection, it was easy to simply give them everything that they wanted. But times have changed, and we must now move on.

When we listen to the debate in this place, I suppose we will hear from the other side some ideological commitments or longings for things as they used to be. I say to those opposite: get real; we are living in the 1990s. You did part of the job and we give you credit for that, but you could not deliver on industrial relations because you were locked in. I understand the realities of it. I used to see Mr Kelty arriving here and the red carpet was laid out to the Prime Minister's office, so I understand the difficulties you laboured

under when making those changes. But those changes—

Mr Laurie Ferguson—Hudson Conway gets that carpet now.

Mr BRADFORD—There are no sectional interests that get that treatment. The difference between this government and that one is that we treat everybody equally, we give everybody an equal hearing. If anyone has clearly demonstrated that, it is the Prime Minister that we now have. He is prepared to talk with and listen to people, and I give him great credit for that.

So the die has been cast for us as a nation. The people of Australia made a decision on 2 March that they want change in this area. The change is necessary for small business to survive and, of course, it is part of the important and crucial answer to unemployment. We must press on. I congratulate the minister on introducing this legislation.

Mr ROBERT BROWN (Charlton) (12.25 p.m.)—In speaking to the Workplace Relations and Other Legislation Amendment Bill, might I say that I think it is unfortunate that, at this stage in Australia's development, it has become necessary for the organised labour movement, both within this parliament and out in the wider community, to marshal its resources in order to address what is quite clearly an attack on the moral principles of industrial relations and the effective structures of industrial relations which have been built up in Australia over the last century. In fact, the original Commonwealth Court of Arbitration and Conciliation was established in 1905.

Since that time very substantial changes have been introduced into the whole structure of industrial relations and the determination of industrial conditions. More recently, of course, there has been a very effective and successful determination on the part of the previous Labor government to introduce greater flexibility into industrial relations to ensure that there are opportunities for employers and employees to negotiate and, in light of the very special circumstances which relate to them, to come to sensible decisions, understandings, arrangements and agreements to ensure that their collective task can be done more effectively.

Let me emphasise one particular distinction between the approach of the previous government and the approach of this government. Our approach was one of seeking flexibility through what we referred to as enterprise agreements. It was not an attempt on our part to introduce flexibility into the workplace by what clearly amounts to individual contracts. I take on board the point that the member for Bradford made. He said he has two kids and that he would prefer to see them employed at \$3 an hour than on the dole at \$5 an hour. I spoke to a fellow with very similar sentiments in New Zealand where similar arrangements have been introduced. He was a great supporter of the increased flexibility that he thought would come about. I say to the honourable member for Bradford, and I hope it does not happen in his circumstances—

Mr Bradford—Could I take a point of order, Mr Deputy Speaker? I am the member for McPherson.

Mr ROBERT BROWN—McPherson, yes. I say to the honourable member for McPherson that I hope this does not occur in his circumstances, but that fellow said to me, 'Well, Bob, I was a very strong supporter of those changes until I saw my son come back, following his application and interview for a job, stripped of his self-respect and stripped of his dignity because he fronted a potential employer, and the employer said, "If you want the job, sign the contract."' He said that his son was devastated. He wanted to be able to go back home and say, 'Mum and Dad, I applied for my first job and I got it.'

Mr Bradford—He could have.

Mr ROBERT BROWN—Of course he could have. I know that your response was genuine. Of course you are concerned about your kids. I hope they are never confronted with that. I say to the honourable member for McPherson and all of his colleagues that if we have anything to do with it they will not be.

Let me make this clear, too, while we are dealing with the question of the motivation behind this legislation. The trade union movement and employees, workers and unionists of Australia will not allow the forces of reaction to roll over the top of them. They have too much respect for their own dignity,

their own self-respect and their own rights as citizens living in a civilised community to allow anyone to threaten or intimidate them. I say that as a person who represents coalminers, steelworkers and power station workers, and people in manufacturing, assembly work, fabrication and service industries. They will not allow the forces of reaction to roll over the top of them.

There is no question that, while there have been some soft words and some soothing phrases used by the people who have been promoting this legislation, we know what the real purpose behind the legislation is. The amending act—300 pages of it—which has been referred to is supposed to simplify this system. Very early in the wording of this legislative amendment it says:

The principal object of this Act is to provide a framework for cooperative workplace relations . . .

I think not. It is interesting—to a very great extent it is ironic—that this debate is taking place the day after the national accounts figures came out indicating that, in the 12 months to the end of the March quarter, Australia had secured an annual growth of 4.8 per cent. This is well in excess of the estimates and well in excess of those countries in the world with which we might compare ourselves.

There was growth of 1.8 per cent in the March quarter and 4.8 per cent over the 12 months to the end of March. Where was most of that growth concentrated? In the manufacturing sector. Where is the Australian work force most unionised? In the manufacturing sector. If the greatest concentration of growth occurred in the manufacturing sector—where the work force is so highly unionised—and contributed towards that 4.8 per cent growth over the previous 12 months, why then has the claim been made that these changes are necessary to improve the industrial relations structure?

That question cannot be answered because the point is that that is not the reason. In his second reading speech, the Minister for Industrial Relations (Mr Reith) said:

The bill I introduce today represents a break with a system of industrial relations that has been based

on a view that conflict between employer and employee is fundamental to the relationship . . .

I often despair when claims of that kind are made. The period of greatest industrial peace in Australia was during the 13 years of the Labor government. We had the accord and we had mutual respect between the industrial and political arms of the labour movement so as to ensure that they would work together for the benefit of Australia. There were sacrifices involved in the process—no-one denies that. There were sacrifices involved on the part of unionists in a whole number of areas and in a whole number of ways, but that very constructive and fruitful relationship exists.

We know that the coalition government has a confrontationist model to pursue, as it had before 1983 when we came into government in order to bring the conflicting interests of groups in Australia together. If the coalition wants to revert to that confrontationist model now, let us see what it will mean. Let us compare the figures for industrial disputes in the year before we came into government with the figures for industrial disputes in our last year in government. Under them in 1982-83, there were 1,817 disputes; under us in 1994-95, there were 647. Under them, two million working days were lost; under us, it was a bit over half a million. Under them, almost 300 working days were lost per one thousand employees; under us, it was almost 90 working days. Surely there is a lesson to be learned from those figures.

I said that the Labor government had worked hard to free up the labour market and to introduce greater flexibility into industrial relations. It did. It did it successfully, with harmony and in cooperation with the trade union movement. The occasion arose when it became apparent what this government—while it was still in opposition—had in mind for the time when it came into government. Leaders of the trade union movement understandably responded to those circumstances.

Mr Deputy Speaker, I remember distinctly—as would you—that Bill Keltly, the Secretary of the ACTU, made some observations about what the situation might be in the event of a coalition government. Those observations were grossly and seriously misrepresented by

the people who represent the interests that are best represented by members of the coalition, and by the media as well. We all recall that the claim was made that Bill Kelty said, in effect, that if a coalition government was elected 'We will go into battle against them'. The headlines were 'The ACTU will take on a coalition government' and 'Kelty says that a future Liberal government will be under attack'. That was the claim that was made against Bill Kelty—I remember it distinctly—but Bill Kelty said no such thing. I will quote the words from the transcript. You will all remember these words, I hope. Bill Kelty said:

And along the way they would like to do a few nasty things too. They'd like to take away from public servants, nurses, police and teachers the protection they have established through a generation—the paid rates awards. They want to rip them away—take them away—we know what they are about. All I can say is this—

let me emphasise these words—

the recent skirmish in terms of Weipa is just simply a sonata—just simply one piece. If they want a fight—if they want a war—then we'll have the full symphony—the full symphony—with all the pieces, and all the clashes and all the music!

That is what Kelty said. After the election Stan Sharkey, the National Secretary of the CFMEU, said something similar in an article he had published in *Common Cause* in April this year. He said:

We therefore will not initiate or participate in any provocative confrontation with the government. However if the government or its employer supporters seek to undermine our members' rights and living standards we will respond accordingly.

I endorse that absolutely. If the government thinks we have had industrial confrontation, industrial dispute, industrial unrest and industrial war over the last 13 years of harmony, let us see what it is going to put in its place. Let us serve notice on the government that we will not allow the establishment, we will not allow the forces of reaction, to roll over the top of workers and their families.

I have seen coalminers stay out of work for months. They saw their wives and their kids deprived as a result of that, but they had self-respect and dignity. The organised Labor movement in Australia still has and will retain

self-respect and dignity. So let the forces of reaction try it, as I say, using the soft words and the soothing platitudes that we hear.

Let me draw attention to a young fellow called Michael Game, who is 24 and from Western Australia. Michael Game was the first person to prove in the Industrial Magistrates Court that an employer had used intimidation and threats of sacking to force a workplace agreement on an employee. This industrial relations model is similar to the one this government is now seeking to impose nationally.

Dr Lawrence—Did you hear what the Western Australian government's response was to that? Ignore it!

Mr ROBERT BROWN—Ignore it. I am not surprised that was the response of that government. We would expect the same response from this government because the motivation behind it is the same. How is it possible for this young fellow to prove what he did? He was the son of a trade unionist and his dad said to him, 'Listen, son, if you're going into that meeting, take in a tape-recorder under your coat.' So he had a bit of nous. His dad gave him damn good advice and it worked. That is one of the few occasions when a court has admitted a tape-recorded conversation of that kind as evidence. That court, to its eternal honour and credit, accepted the tape as evidence and the case was proven.

How many other young blokes and young women at the age of 24 who have left school have gone in to negotiate in that spirit of harmony, in that spirit of goodwill, and with equal powers of persuasion on the part of the potential employer and the potential employee without a tape-recorder under their shirt? What is going to happen in the future? Are those employers, now having knowledge of this, going to put them through a metal detector before they come into the office? I would not be surprised.

I say this not against all employers—I believe most employers are honourable people—but there are sharks, crooks, intimidators and exploiters out there who will take advantage of kids. They will take advantage of women from non-English speaking back-

grounds in the sweatshops. They will take advantage of the long-term unemployed who will practically do anything to get a job to have their dignity and their capacity to provide for their spouses and kids restored. Yes, they will. Let us say this, too: we will seek to identify those employers. They will not escape.

Let the government, to its eternal dishonour, try to use the provisions of this legislation to smash over 90 years of development and successful, effective and honourable principles, conventions, practices and structures of industrial relations. Let the government attempt to take on the organised trade union movement. What is the motivation behind the legislation? Let me draw attention to two examples. The present Prime Minister (Mr Howard) in a radio interview with 3LO on 10 November 1992, said:

Let me make it very clear what our attitude to the Victorian legislation is. The main thrust of the Victorian legislation is on all-fours with our approach.

What is that approach which the government is 'on all-fours' with? In Victoria all state awards were abolished. We know that the federal awards will be reduced to 18 fundamental principles within 18 months. Any embellishment around those 18 fundamental principles will be locked away in the secret closets of the Employment Advocate. The Industrial Relations Commission will be gutted. That is the purpose of the legislation. The Prime Minister was reported in the *West Australian* as saying:

I would like to see throughout Australia an industrial relations system that is largely similar to what the coalition government has implemented in Western Australia.

Under that legislation, there are only four minimum entitlements for employees in Western Australia. So let me make it perfectly clear that we will not accept the soft words, we will not accept the soothing phrases, we will not accept the platitudes because we know what the motivation is. The motivation is to destroy the trade union movement in Australia.

If those attacks come, then just watch the people marshal themselves back into organ-

ised labour. If it is necessary for the organisers to use their shoe leather, their bicycles and their ponies to get around and organise people into trade union arrangements—as they did towards the end of the last century—then that is precisely what they will do. The people will determine their reaction on the basis of their own experiences, and their experiences of this legislation will not be very good ones at all. (*Time expired*)

Mr WILLIAMS (Tangney—Attorney-General and Minister for Justice) (12.45 p.m.)—I am very pleased to speak in support of the significant reforms proposed by the Workplace Relations and Other Legislation Amendment Bill 1996. I particularly want to make a number of observations in relation to the work of the Industrial Relations Court of Australia and the way in which the bill will affect that court.

The bill proposes that the work of the court will cease and its jurisdiction will be transferred to the Federal Court of Australia. The government's policy has always been to do this. Indeed, I was shadow Attorney-General when the court was established by legislation passed in late 1993. I made it clear at that time that I considered that there was no need to establish a separate industrial relations court.

The then minister gave no reason whatever why the jurisdiction of the Federal Court in relation to industrial relations should be removed to a specialist court. The coalition in opposition indicated that, once in government, it would ensure that the specialist court would not continue. Nevertheless, the court was established and it commenced its operations at the end of March 1994.

Despite the reluctance with which its birth was greeted—at least by the coalition—the court has, from its beginning, carried out its responsibilities with the high level of skill and dedication which the community has come to expect from the Federal Court. Whatever we may think of the need for an industrial relations court, it was established and it had a charter of work which it has carried out effectively. That it is now to be wound down is no reflection on the quality of the judges, statutory office holders or staff of the court.

The previous government appointed Justice Murray Wilcox of the Federal Court of Australia as Chief Justice of the Industrial Relations Court. Chief Justice Wilcox is a longstanding and highly respected member of the Federal Court. He also has a strong commitment to promoting the principles of access to justice. Under his leadership, the court introduced a range of user-friendly practices and procedures, including reducing documentation and simplifying application forms, introducing a minimal adjournments policy, and abandoning the wearing of wigs by judges and the wearing of wigs and gowns by advocates appearing before the court.

The user related reforms also included the release of a client information brochure and establishment of a court users group to consult on developments and procedures. The Federal Court is also examining a number of these areas, and I am confident that the clients of its industrial jurisdiction will in future benefit from the enlightened judicial administration practices developed in the Industrial Relations Court.

The bill before the House today does not abolish the Industrial Relations Court of Australia. However, it will, over a reasonably short period, transfer the work of the court to the Federal Court, leaving what will effectively be a shell. The Industrial Relations Court will continue to exist while any judge holds a commission on that court. Honourable members may be aware that the Australian Industrial Court, which has not exercised any jurisdiction since the late 1970s, is still formally in existence as a federal judge holds an appointment to that court.

There are 11 judges with appointments to the Industrial Relations Court and, of these, five judges perform work primarily for that court and the remainder perform work primarily for the Federal Court. All judges of the Industrial Relations Court also hold appointments as judges of the Federal Court. The bill does not affect their appointments, remuneration or terms and conditions. The bill maintains the remuneration and position of the Chief Justice of the Industrial Relations Court.

As well as his active involvement in the work of the Federal Court, the Chief Justice

has other judicial work through his appointments as a judge of the Supreme Court of Norfolk Island and as an additional judge of the Supreme Court of the Australian Capital Territory. The 16 judicial registrars of the Industrial Relations Court are statutory office holders. Eight are full-time and eight are part-time office holders. They all hold term appointments. They are not judges, but they exercise powers delegated to them by the judges of the court and work under the judges' supervision.

The work of the judicial registrars has almost exclusively been unfair dismissal cases. The bill proposes that the judicial registrars also be appointed as judicial registrars of the Federal Court. In the Federal Court they will have a similar jurisdiction to that which they handle at present in the Industrial Relations Court. It will be the new, fairer, unfair dismissal jurisdiction.

The only other statutory office holder—the Registrar of the Industrial Relations Court—will also be transferred to the Federal Court, where he will have the office of Deputy Registrar. The bill preserves the remuneration, status and terms and conditions of all judicial registrars and the registrar for the remainder of their respective terms of office. Staff of the Industrial Relations Court are also to be transferred to the Federal Court.

The bill makes special provision in relation to deputy sheriffs. While some are staff of the Industrial Relations Court who would be transferred as court staff, a number are state officers performing work under cooperative arrangements. The appointments of deputy sheriffs have, therefore, been separately preserved until the Registrar of the Federal Court makes other arrangements.

Throughout the process of the development of what now appears as schedule 17 of the bill on page 217 of the print on the table, I have emphasised a minimal disruption approach which safeguards judicial independence and ensures the continuation of all statutory offices, albeit in a translated form. I am confident that schedule 17 of the bill achieves these aims.

Both Chief Justice Black of the Federal Court and Chief Justice Wilcox of the Indus-

trial Relations Court have been consulted throughout the process of development of the proposals in relation to their courts and have had the opportunity to comment on a number of drafts of the legislation. My departmental officers have had a number of discussions with the chief justices, with registrars and with other court personnel.

I have also consulted the board of management of the Australian Institute of Judicial Administration. I am grateful to the chairman of the institute, Justice Trevor Olsson of the Supreme Court of South Australia, for his positive comments. Throughout this process, I have been gratified that the normal high levels of courtesy extended by the judiciary to the other arms of the Commonwealth have not been diminished in any way by the—no doubt uncomfortable—experience of working through the details of how the jurisdiction of a federal court would be removed.

I turn now to the position of the clients of the court, who after all are the reason for any court's existence. The bill ensures that the rights of all people who have commenced proceedings before the amendments come into effect are protected. Accordingly, all cases already in the Industrial Relations Court on the day on which the amendments commence will continue to be dealt with as if the amendments had not commenced.

However, the cases will be transferred to the Federal Court from day one—the bill calls this the transfer day for handling—except for those cases where a substantive hearing has already commenced in the Industrial Relations Court before a judge or a judicial registrar. The Industrial Relations Court will complete its work on the latter cases, and the orders made will then be treated as if they were made by the Federal Court for the purposes of appeal and enforcement.

The completion day in the bill is the day on which all the cases in the Industrial Relations Court will have been completed. Most provisions relating to the Industrial Relations Court and its jurisdiction then cease to apply, except for a limited number of provisions which continue for a period to enable completion of financial and annual reporting requirements.

I also refer honourable members to part 2 of schedule 7 of the bill, which continues the capacity of the Australian Industrial Relations Commission to refer unfair dismissal cases to the Industrial Relations Court. As is the case with proceedings before the court, the bill protects rights of action which had begun in the commission before the commencement of the amendments. The bill preserves those rights of action up to and including transmission of a case to the Industrial Relations Court, which occurs if the matter is not settled in the commission. The bill then operates to transfer the proceedings for hearing in the Federal Court.

Provisions which will be continuing indefinitely will be the core provisions needed to ensure that the positions and appointment conditions of the Chief Justice and judges are maintained until they retire or resign. At that time those sections may be ceased by proclamation.

Most of the work of the Industrial Relations Court is in the area of unfair dismissals. I understand that it was always envisaged that this would be the case when the court was established. The bill makes considerable changes to the unfair dismissal regime which currently exists, and I expect this means that, after dealing with the cases outstanding at commencement, the Federal Court will eventually have a smaller unfair dismissals jurisdiction than the Industrial Relations Court currently has.

The proposals in this bill effect a carefully thought out and dignified way to deal with the transfer of jurisdiction. The transfer is done in a way which protects judicial independence and the rights of parties before the courts. I commend this approach to the House.

Mr PRICE (Chifley) (12.57 p.m.)—I am pleased to rise to speak on the Workplace Relations and Other Legislation Amendment Bill. I should firstly raise a few things arising out of the last election. The issue of unfair dismissals has been raised. There is no doubt that was a real problem for us during the election. Whether you were on the Labor side or the Liberal side of politics, when you went to small business you were very readily able

to pick up their concerns about these provisions. Perhaps I should put this question on notice, but I would like more information about the actual workload and determinations of unfair dismissals.

The more I discussed the problem with small business, the more I felt that the problem was not really about the concept of having an unfair dismissals provision but about how it was prosecuted. Let me give an example. We were all regaled by tales of a person who may have stolen or committed some heinous act as an employee and had successfully managed to get a settlement out of the process. But what is not being said to the people—and this did not get sufficient airing during the last election—is the fact that there were solicitors and firms of solicitors who were touting for business. They said, 'Irrespective of the reason for your unfair dismissal, I can obtain some money for you.'

First there is a conciliation hearing. A small businessman would immediately go and seek some legal advice. The legal advice, I am sure, was always of the order, 'You've got a very sound case. We will go into conciliation, we will take it into court and we will win this; we will win it hands down. But I have to tell you what the costs are. The costs of representation and conciliation are X thousand dollars. When we go into court, it could take this period of time and you will be up for even more legal expense.' They were often propositioned: 'We can fight this. You won't be able to recover costs, by the way. That is not permitted in disputes of this nature, should you win. But we can spend \$7,000, we'll win the case; or, alternatively, we can offer a settlement. Why don't we try \$1,000? Why don't we try \$2,000?'

If you say to a businessman, 'You're going to win, but it's going to cost you \$7,000; would you rather pay \$2,000 instead of \$7,000?' then the businessman will make a straight business decision to pay the \$2,000 and settle the case.

Is this the fault of protection in the law against unfair dismissal or is it the fault of the way the law is operating? What was required in this case was not a conciliation process but a process of arbitration where small business-

men and the affected employee could obtain a decision free of the legal profession—not dissimilar to the Small Claims Tribunal that operates in New South Wales. If we had had that system, we would never have got the kicking about unfair dismissals that we got in the last election. But, if you want to lay the blame, blame it on unscrupulous solicitors who saw a means of expanding their living by offering their services in these cases.

During the last election campaign the Labor government was very proud of its four years of sustained growth and all the changes it had been able to make during that period. If there was one failing, it was that we had not adequately addressed the concerns of those people who were part of those changes but perhaps had lost their jobs or had gone part time, et cetera. The honourable member for McPherson (Mr Bradford) said in this place that our system, which was set up early this century, is definitely in need of change; it has not served us well. But if you ask him about the constitution he will say that it is a perfect document and that there is no way we should change it. He would say that it has served us well and should not be changed at all.

In the 13 years of Labor government there has been enormous change. This is insufficiently acknowledged on the government side. If we are going to change the system, we should understand why we are going to change it. We should understand whether the prior system was successful or unsuccessful. Any measures associated with industrial relations, I would have thought, would require a look at the area of disputation. In 1983 that was at record levels. The economy was in a mess. The Labor government at the time sought to take a different approach: it tried to embrace the working men and women of Australia through an accord process. We needed everybody working together to rebuild Australia from the mess we had been left with. Not only did we put in one accord, we put in eight accords.

Part of that involved trying to look after the working men and women of Australia with the so-called social wage. We had the idea that we should provide university places for their children; that there should be, for exam-

ple, adequate health care; that there might be many children of the working men and women of Australia who may need assistance to complete years 11 and 12; and that more than one-third of the students of Australia should go on to years 11 and 12. These were the important elements of the social wage.

There was a huge division—a traditional one, I admit—between management and labour. When I was working with Telecom—PMG—we had what we called the golden mile of assistant superintendents. You did not speak unless you were spoken to and God help you if you offered solutions to problems that were unacknowledged. As a member of a parliamentary committee, I went to the APPM plant in Tasmania. One of the things that this Labor government tried to do was to involve workers in the process of the firm. We said it was important. We introduced multiskilling. For example, we reduced the number of awards in the motor car industry from over 300 to nine. Part of that change process was occurring in the workplace. I remember talking to one of the workers and he said, 'Before this started, we were expected to clock on and leave our brains behind. The difference is that when we clock on today we are expected to bring our brains to work.'

There was a breakdown of the divisions. The idea was that, if a firm was to succeed, it really could not be hierarchal; it needed the involvement of the workers because, after all, they were the ones doing the jobs, they were the experts. Increasingly, over time, this has been acknowledged. There are some firms like CRA that say, 'We cannot do this if they are represented by trade unions.' What bunkum! Some of the exercises I saw being performed were old hat in comparison to a lot of other organisations which had been involving their employees, their middle-level management structure, much earlier. CRA was behind the times.

Part of the accord process, part of what was happening in industrial relations over that 13 years, was based on the idea—and it was supported by the trade union movement—that workers have to be involved in decision making and that productivity could not really be improved by working with a top-down

approach. A bottom-up approach will yield the best results.

These changes have taken place, but at the same time there has been a tremendous change in the way firms operate. At no point in our history have we seen so great an impact from technology and change in the work force as we have today. Downsizing—which means workers being sacked—is regrettably a common feature. There is a great deal of insecurity amongst workers these days as to whether they will continue to have a job. Today, we want them to be loyal, we want them to be committed to the organisation, we want them to be giving 100 per cent of their ideas and suggestions; but, at the same time, we really are not guaranteeing them a permanent place. Previously, successive generations have joined a firm or a Public Service department, but these days we are very lucky if one member of a family continues to have a job.

What are we asking for in this legislation? When the government talks about greater flexibility in industrial relations, it really means providing less wages for workers. That is what that is code for. It means less take-home pay. It means increasing the commitment, the involvement, the insecurity and uncertainty, but doing it all for less pay.

On the opposition side, we would embrace this notion if we thought this was the way we should go forward as an economy, but everything that has been written and said recently indicates that we should be acting smarter. We are not going to be able to compete or have a great comparative advantage by having low cost labour. That is for other countries in our region. What we need is a highly skilled and committed work force, in which we are prepared to invest training. That is the way forward—not coolie wages. I do not understand that approach.

Much has been said about youth unemployment. Certainly, I have an unsatisfactory level of youth unemployment in my electorate. Nothing would give me greater pleasure than being able to see those young people with a job. And in the last election campaign the coalition gave a commitment that in no way would Jobsback be revisited, that in no way

would the \$3 an hour payment for young people be revisited by the coalition. Of course, what they are doing now is playing with words. What they are saying that someone in a firm should do is only pay a young person, a trainee or an apprentice, for that amount of time for which the young person is actively, productively engaged. If they are off to one of the TAFEs doing their apprenticeship training then they will not get paid for that period of time. If some element of their performance at the firm is considered to be on-the-job training, they will not get paid for that. Therefore, if you aspire to being an apprentice and you spend one day a week at TAFE, you will not get paid for that day. And if you work alongside a skilled worker—a part of that is considered to be on-the-job training—you will not get paid for it.

Currently we have the ironic situation whereby young people who work at McDonald's get \$6 an hour whereas young people doing traineeships are going to get paid just slightly above \$3 an hour. I think that is dreadful. I think it is outrageous. I think a lot of young people, when they understand what it is that the coalition is really on about, are going to be really concerned.

I am always happy to confess that I am a union man. I have always supported the idea that ordinary men and women should be able to band together and collectively bargain to improve their working conditions. I have never understood this ideological hatred from the other side against that proposition. It is an element of freedom of association that you often hear about but the hatred of that concept from the other side always amazes me.

I might say that I was very pleased to be one of the early participants in the Clyde Cameron training college. This was set up during the Whitlam years with the idea that there would be great benefit derived from training people involved in trade unions. I went down to Melbourne. It was a great course; it really did broaden my mind. Of the range of guest speakers, two impressed me very greatly. I do not know if the present government sees people of this ilk talking to people from the trade union movement as dangerous or revolutionary or subversive, I

am not sure. I do know they are abolishing the Clyde Cameron college.

One of those speakers was the director of the Victorian Employers Federation, Mr Ian Macphee, who later on went on to be an honourable member of this House and a minister. The other speaker was Mr Rod Carnegie, a successful businessman then and even more successful now. These were the types of people who were coming in to talk to us.

We can ask, 'Well, why should we put any effort into training people from trade unions?' Perhaps that is a fair question but I invite government members to look at their local TAFE colleges and look at the government subsidised management training courses, or go to the universities and look at undergraduate courses and masters courses and postgraduate courses for managers.

Mr Deputy Speaker, I am sure at your local TAFE—I have two in my electorate—there is no trade union course offered and at my two TAFEs there is certainly no such course offered. Neither is there such a course offered at the University of Western Sydney. I think it is preposterous that we should somehow feel that the better training of trade unionists is something harmful.

I said this government was ideological. The Fraser government did not abolish this but John Howard did. I think the reason why we are seeing such a hurtful bill introduced into the parliament is that there are a number of things that John Howard initiated. He wanted to deregulate the banking system, he wanted to float the dollar, he wanted to do a number of things with the economy—and he never did. But he has fashioned this as his own. This is what he wants to be remembered for. He sees this as his last remaining opportunity, but it is going to be at the expense of ordinary Australians.

The other thing I should add is that in my state the majority of trade unionists are women. When you start aiming legislation at one section of the community, and you are doing this in terms of the trade union movement, in New South Wales the target you are hitting has a majority of women. Let me quote a couple of figures on the differences

between women in the work force who are represented by unions and those who are not. In full-time work non-represented women earn 12 per cent less and in part-time work they earn 32 per cent less. (*Time expired*)

Debate (on motion by **Mr McArthur**) adjourned.

COMMITTEES

Corporations and Securities Committee

Consideration of Senate Message

Mr DEPUTY SPEAKER (Mr Hollis)—Mr Speaker has received the following message from the Senate:

The Senate acquaints the House of Representatives that it concurs in the resolution transmitted to the Senate by message No. 6 of the House of Representatives relating to the appointment of the Parliamentary Joint Committee on Corporations and Securities, subject to the following modifications:

1. Paragraph (f), at the end of the paragraph, add:

" , provided that in a deliberative meeting the quorum shall include 1 member of either House of the Government parties and 1 member of either House of the non-Government parties".

2. Paragraph (i), omit the paragraph, substitute:

(i) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 member of either House of the Government parties and 1 member of either House of the non-Government parties.

The Senate requests the concurrence of the House of Representatives in the modifications.

Ordered that the message be taken into consideration forthwith.

Mr REITH (Flinders—Leader of the House) (1.18 p.m.)—I move:

That the modifications be agreed to.

I would like to speak briefly to the motion. There are a series of motions before the chair resulting from messages from the Senate, and I want to make some remarks to pick up the entirety of the issues that will briefly be before the House. These matters were debated in the House and the issues went off to the Senate. Essentially, what has happened is that the Senate has come to its own view about

the matter and is returning the proposals with various amendments.

These amendments are supported by the government. However, I should point out to the House that they are not the propositions which we put to the Senate, or which the House of Representatives put to the Senate, and they are obviously not the propositions which the government put. Furthermore, they are not the propositions put by the members opposite either with regard to the quorum.

Mr Crean—Close. You were nowhere near it.

Mr REITH—The original proposal was that, in terms of the party affiliations of the members making up a quorum, the quorum arrangements simply remain as they have been, which is that there be no qualification on the party affiliation of members comprising a quorum. The opposition in the lower house thought that there should be one member of the opposition to comprise a quorum, which, as was remarked on in the Senate, could end up in a situation where the quorum could be comprised of Labor members but of no government members. So the Senate rejected that idea.

Mr Crean—‘One of whom,’ we said.

Mr REITH—One of whom, yes. Therefore, if you had a quorum, it had to at least have a Labor Party member in the quorum, but there was no requirement for any other party to be represented. In other words, you could have a secret meeting of the Labor Party making up a quorum. That absolutely nonsensical proposition that the Labor Party should be able to have secret meetings was, of course, discarded by the Senate.

So the Senate decided that the compromise should be to have one from either side. I do not think that is a satisfactory proposal. The whole thing is a complete nonsense from start to finish; the evidence of that is that it was not a requirement in the previous 13 years and I have yet to hear the argument as to why some things should be different simply because there has been a change in government. It is not a sensible idea to try to politicise the committees.

Mr Crean—That is what you were doing.

Mr REITH—No, we were simply saying that attendance at a committee meeting should be on the basis that every member of the committee or subcommittee gets notice of the meeting and turns up if they want to. If they do not want to turn up then they do not. If you place a qualification on the members comprising the committee then you are giving the party nominated, say, the Labor Party, a chance to sabotage the committee; if there is a committee meeting that they do not want to go to then they do not have to turn up and it makes it impossible for the committee to get a quorum. Whichever way you look at it, it is a nonsense. We should have stayed with the longstanding arrangements in the lower house, and those were not to have a party political qualification for members comprising a quorum; it has worked perfectly well.

The thing is just a device, an argument put up for the sake of putting up an argument. We do not accept the argument that was put by the opposition; we do not accept the argument put by the minor parties in the Senate. However, it would be futile to have this issue bouncing back and forth between the Senate and the lower house. The parties in the Senate have come to a compromise on it; we will accept the compromise so that the committees' work can commence and proceed accordingly. I will be pleased if the passage of these modifications can be smooth and not interrupted by umpteen divisions.

Mr CREAN (Hotham—Manager of Opposition Business) (1.22 p.m.)—We welcome the change of heart, begrudging as it is, by the Leader of the House (Mr Reith). We said last Wednesday that this would happen. This proposal that comes back here is precisely what we said would occur because of the stupidity with which the Leader of the House tried to railroad through proposals in this House to gut the effectiveness of the committee system and to ignore the requirement for a presence of the opposition parties not just on the joint committees but also in the other chamber, the Senate. It is simply not true to say that what he was seeking to implement was the same as had existed before. Under the joint committees there was always the requirement—because the Senate required it—that if

there was to be a quorum, of either the committees or the subcommittees, then at least one member of that quorum should comprise a member of the opposition.

It is true, if we want to engage in sophistry and pedantries, that what has come back here is not what we moved the other night. I will concede that, but it is a hell of a lot closer to what we were proposing the other night than anything you were prepared to concede. You say that this proposal comes about because of negotiations in the Senate. Yes, it does, but why did it not come out of negotiations here? It did not come about because you were not prepared to negotiate. That is your approach to this House. You say that you want to lift the standards of debate in the chamber, the supremacy of the parliament and the role of the committees, yet you want to deny the opposition parties the opportunity to be part of it. You want to gut the administrative support that will see these committees run, yet you have the gall to say that you are lifting the standards of debate in this House.

The minister made the point in talking to this message from the Senate that these were issues debated in the House last Wednesday night. He has got a very funny definition of a debate because what we got was a gag, not a debate. We were not able to put the amendments. How can you claim to have a debate when we do not even get the opportunity to put the very amendments that he is now accepting? It is a sham. It is a disgrace to you as Leader of the House that you have botched the most important thing, procedurally, for this House. Forget the legislation; I will come to that in a minute. Here we are four weeks into the sitting of the parliament and we are yet to get the joint committees comprised.

We know your tactics in the Senate because of the approach that you are steamrolling through. We know your approach in the Senate sees them still without sessional and standing orders. Here, where you have the numbers, at least you have got them through. But what you have not been able to get through is the committee structure. Some majority! Here is the mob that came in claiming to have this vast mandate from the electorate and keeps reminding us of the 94 to 49

but cannot even get the committee structure set up. What a joke!

The reason they have not got the joint committees set up is that they refuse to negotiate. They take the view that they and they alone are the ones that should determine how the committee structure should function. We have a different view. I think that what the Leader of the House now has had to come to grips with is the fact that their view alone, much as they might think it is right, is not the correct view. I think it is a very handy demonstration of this argument about the so-called mandate. If we had accepted that, simply because you had the numbers in this place, the committee process that you were proposing should be adopted by the House and the views of the other House ignored—in the context of joint committees—the argument would be: it only matters what occurs in here. How can you pretend to have an approach to joint committees when you completely ignore and steamroll the other side of the building?

The simple fact is that the Leader of the House still does not agree with these amendments. He is forced to accept them but he does not agree. How contemptuous is that of the place? He is getting thrown back at him what we said was always going to come back to him; and if he still had his way, he would ignore it. He would reject it. Fortunately, he is at least smart enough on this occasion to recognise the futility of such an action. It is that same futility that has driven his senseless approach to the way in which he has managed the affairs of this House over the course of the last four weeks. I wanted to have something to say on this matter last night on the adjournment, but was gagged from doing so.

It was not the first time they have moved the gag on the adjournment, but the second time in the space of the first four weeks of a new parliament. Yet these are supposed to be the new standards being raised in this place. Here we have the Leader of the House saying that he wants the backbench to have more say and that he wants them to sit longer into the night so that they can have the opportunity to voice their concerns. But what does he do? He gags two adjournments. Who gets the call in the adjournments? Essentially, backbench-

ers do. So where is his recognition of their role? He is compounding the problem by what he is doing in the committees. Who are the people who serve on the committees? They are the backbenchers. How do they make their input to the functionings of parliament other than through the committee process? Yet you have not established them. Why? Because you want to establish a circumstance—against all of the precedents—whereby those committees can function not representing the whole of the House but through secret committees.

The effect of your gag on these committees last week was to create the environment in which the committee process in this parliament could operate in secret. A quorum comprising three members of a committee, none of whom had to be a member of the opposition, could have been any three on that side on a committee, or any two in terms of a subcommittee. You could have met in a phone box and determined things that you would argue were in the interests of this parliament. You could have met in the corridor out there and said things on behalf of the committee. And yet you say that is raising the standards? Hardly likely!

There are some other matters that we need to draw attention to in the way in which the Leader of the House has managed affairs, but I would first like to remind him of what the Prime Minister (Mr Howard) said in one of his first speeches as Prime Minister in this House. On the election of the Speaker, he said:

I would like to take the opportunity in congratulating you to reaffirm a number of the things that I have said about the importance of reasserting the supremacy of the parliament over the executive . . .

In other words, he was saying, 'We want the parliament to function. We want it to lift its standards.' Remember the argument about how, under the Labor government, the role of parliament had been debased and how we needed to lift the standing of it in the community? What have we seen? We have seen the gag applied not just on two adjournments so far, which I have already referred to, but also on the Telstra debate—the most important piece of legislation to come into the parliament in this first session. We will wait

to see what they do with the industrial relations bill. I suspect, if the Leader of the House is true to form, that will be gagged as well.

Mr Reith—If you keep filibustering, of course it will.

Mr CREAN—He calls it filibustering! The problem with the Leader of the House is that he thinks that if we want to make a contribution it is filibustering. He does not believe any valuable contribution can be made on this side of the House. Does he have the same contemptuous view of his own backbenchers? I hope they take notice of the way in which he is running this place. It is a shambles.

Last night we had countless divisions. The deputy whip is up the back and, with due respect to the member for Corangamite (Mr McArthur)—I like him and I have known him for a long time—he has great difficulty doing the count. That is not just because there are so many members on that side, but he also has difficulty recognising who they are. We know he is used to counting sheep, but he has to adapt to the process of counting people.

It has taken 18 minutes to count a division. That is the equivalent of the time for a contribution in this parliament. Would it not be better for this place to be involved in debate rather than in a non-count? Would it not be better for us to function as we should rather than be forced, because of the tactics of the Leader of the House, to end up in countless divisions?

The Leader of the House takes the view that the divisions are our fault. They are not. They are in response to the contempt with which he treats this chamber. He comes here in a cavalier way and argues that, because it is his view, involving no consultation, then it is the view that will prevail. The gag has been applied not only to the Telstra bill, but also to the social security bill last night and to this debate last Wednesday night when, despite the fact that the Leader of the House argued that we would only have two late night sittings in a four-day cycle, in the last fortnight we have had three. That is because he has not been able to manage the affairs of the House.

We were given no notice of the decision last night to make the House sit late. We were not told about it. They simply came in here and decided, 'We'll sit till 11 o'clock.' Not only that, but there was no dinner break. I remember him carrying on about late night sittings and saying, 'At least there will always be a dinner break because it is a long time to sit, and we recognise the need to have that break.'

The minister had his dinner break last night. He left this place at 6 o'clock and he did not return until 10.30 p.m.—and he then proceeded to muck things up, I might add. It was a very long dinner break, but was anyone on this side able to have that dinner break? Was any other member of the House able to have it? What about the backbenchers? Not to mention poor Stewart McArthur being forced to count all of those divisions, which gave him indigestion!

The point is that the Leader of the House is treating this place with contempt. That is consistent with the manner in which he is approaching those that he claims will not be any worse off under the industrial relations act. What a sham. He comes in here mouthing all those nice oily statements about his support and his concern, and what does he do?

Mr Reith—I have a point of order, Mr Deputy Speaker, on the point of relevance. As evidence of the filibuster, the shadow minister at the table is now debating the industrial relations package before the House because he has run out of things to say on procedures. Furthermore, he is also in breach of the rule of anticipation. As usual, he does not know the standing orders and he has three minutes.

Mr DEPUTY SPEAKER (Mr Hollis)—On the point of order, I thought that it had been informally agreed that, as we were dealing with a number of these committees, it would be a fairly wide ranging discussion.

Mr CREAN—I can understand the tactic, Mr Deputy Speaker. He wants to break the flow and he also thinks he can restrict my time. I can tell him that we have a number of issues that have to be decided under this. I will take every opportunity I can to debate these issues in the House because if it was left to the government there would be no

opportunity. That is the point that I am trying to underpin in all of this contribution—that it is not just this issue, it is a whole range of issues. It is the circumstances of the gagging of debate and the supremacy of parliament over the executive. Government members will not even let a parliament consider alterations to that which the executive has determined. What sort of supremacy of parliament is that?

It is a joke. They come in here saying that they want to lift the standards but all that they have done is lower them. The fact of the matter is that you could have argued, if you had not made these highbrow statements about lifting the standard, that all you were doing was doing what we did. But the fact is that you made a virtue of promising change and you made a virtue of saying the place had to be changed and that you were going to be responsible for it. You made a virtue of the fact that only a coalition government elected to office would improve the place, but you have not done so.

It is like every promise that you made before the election; it too will be broken. That is the form; that is your approach. You have contempt for this place and it is shown up in those proposals that you are now forced to accede to, which we said all along you would have to accede to.

Had there been a preparedness to allow debate properly on this last week without them forcing the gag, without stopping us making our contribution, this could have been sorted out. More importantly, had there been a preparedness on the part of the Leader of the House to actually come and talk to us and try to reach a sensible agreement, he would have got it. (*Time expired*)

Mr FILING (Moore) (1.38 p.m.)—I rise to speak to the motion because having at the last sitting in the division voted to oppose the amendments moved by the member for Hotham (Mr Crean), the amendments that would have effectively provided an opposition member veto on subcommittee meetings—in other words, a quorum required for subcommittee meetings of two including one opposition member—we now find ourselves in the position where Independent members are in an even more inferior position than was the

case had the member for Hotham moved his motion last week.

If you look at item 1 of messages Nos 9 to 15, and particularly if you look at message No. 9, which is the one to which I am referring the most and using as a guide—and the member for Banks (Mr Melham) might like to have a quick look at it—it says:

... and 1 member of either House of the non-Government parties.

We have a dilemma here for the Independent members of the House of Representatives because, as members would well know, there is still as yet no resolution of the dilemma for Independent members in this House. We still find ourselves in the position of being treated as an adjunct of the Labor opposition, which in the case of all of us is entirely unsatisfactory. And now we find that, as a result of the amendments by the Senate to the messages from the House of Representatives relating to joint standing committees, the Senate's amendments would place us in a greatly inferior position as a consequence.

I stress to the Leader of the House, who no doubt is obviously responding on receipt of these messages from the Senate, that we would like to see the word 'parties' omitted and the substitution of the word 'members'.

Mr Crean—You didn't support this the other time, did you?

Mr FILING—No. You missed the earlier part of my speech, when I mentioned that I voted against your amendments at the last sitting. Now we find that the government is supporting amendments, moved by the Senate, to the composition of the committees and the quora required for subcommittee meetings of joint standing committees. As a consequence of the government's support for these amendments the rights of Independent members in this chamber on committees would be infringed, because we would find ourselves in a position where we had inferior rights to our colleagues from the major parties in the House of Representatives.

Mr Deputy Speaker, I notice that you allowed the member for Hotham some latitude in making his remarks, so I will take the same advantage and opportunity. As I mentioned

earlier, we still have not had a resolution of our dilemma. I make no reflection on the member for Watson (Mr Leo McLeay), who obviously acts in good faith as Chief Opposition Whip; but his interests are the interests of the opposition party. Those interests are quite often completely different or shades different from the interests of one or all of the Independent members of this House. Therefore, as Independent members, our rights are infringed, because we are obliged to avail ourselves of the services of the Chief Opposition Whip in order to achieve our rights as members of this chamber in getting on the speaking lists.

Anybody who is a student of the standing orders of this place, or anybody who takes an interest in them, would know that the standing orders do not even refer to the question of speaking lists. In fact, the use of speaking lists is a practice that has evolved in the House of Representatives since about the 1940s. It has no standing whatsoever under the standing orders. Members who have taken an interest in the procedures of the House would note that on a number of occasions—I think now twice; possibly just once at the Main Committee—Independent members have availed themselves of the authority of standing order 61, which allows members to rise in their place and, if not getting the call, to move a motion to be heard, in order to give themselves the opportunity to speak to either the House or the Main Committee. Mr Deputy Speaker, I think you were in the chair at the time; I may be wrong.

In the Main Committee, for instance, there is a problem with the standing orders, because there is no provision for divisions in that chamber. So, members standing and asserting their rights under standing order 61 would be able to speak almost at will. Quite clearly, that is not a satisfactory solution for the other parties in the chamber; but we have had to avail ourselves of this particular standing order's authority because, after four sitting weeks, we still find ourselves in exactly the same position as we were in at the beginning of the parliamentary session—an unsatisfactory position, a position which we have opposed. The Independent members have

written ad nauseam to the various authorities to ask for some change to allow us the opportunity to be party to the formulation of the speaking lists—which, as I said earlier, do not have any standing under the standing orders other than as a practice of the House since about the 1940s.

Coming back to the question of the committees, here we have a situation where there has been an endeavour to assert rights on the part of the non-government parties. In the first instance, the member for Hotham merely referred to the opposition. But we now have a situation where Independent members of the House of Representatives are members of committees—

Mr Melham—You've still got your Liberal Party ticket in your pocket. Come on!

Mr FILING—I might point out to the member for Banks, who interjects frequently and who sometimes is witty and other times isn't, that, as he would know, the standing orders that established the joint standing committees as far as the House of Representatives is concerned refer quite clearly to Independent members in the composition of these committees. That is because of the rise of the number of Independent members who have been elected to this House. I refer you to the first one on the green sheets that have been circulated: Item 1, subsection (a)—

Mr Melham—Why didn't you go and talk to them in the Senate and stitch up your own deal?

Mr FILING—The member for Banks talks of deals. That is an interesting interjection because it reflects a state of mind: a state of mind that views the House of Representatives as an instrument of deals between the major parties. The Senate, the House of Representatives—what's the difference? A deal is a deal to you. Everything is a deal. But what about the interests of the people? What about the interests of my constituents? Here I find myself in a situation where I, having been able perhaps to nominate as an Independent member from the House of Representatives to the Joint Committee on Corporations and Securities—and for that matter an Independent senator who may be a member of this particular committee—am in an inferior position vis-

a-vis membership of the committee. Let's just say I am the member and there is a subcommittee meeting of the committee and it is held in Sydney, as they often are when they are dominated by the Sydney or Melbourne members. Then one finds oneself flying across from Western Australia, coming to a subcommittee meeting—a deliberative meeting—and finding that, because there is no representative present from one of the non-government parties and only one government member, the committee may not be able to go ahead and one has just wasted a trip.

I mentioned in my speech last sitting that this could be used as a mechanism to sabotage the activities of the committees. If there was some bloody-mindedness on the part of the opposition parties, they could quite clearly ensure that the committee's work did not go ahead smoothly if the work of the committee in any way did not suit their interests.

Going back to my original point, we are going to have to come to some arrangement that is going to represent the interests of the Independent members. As a consequence, I move the following amendment:

That all words after "That" be omitted with a view to substituting the following words:

"the Senate modifications (1) and (2) be amended by omitting 'non-Government parties' in each case and substituting 'Members or Senators'".

Mr DEPUTY SPEAKER (Mr Hollis)—Is the amendment seconded?

Mr ROCHER (Curtin) (1.48 p.m.)—I second the amendment, and I wish to speak briefly to it. In the absence of knowledge as to what form the messages from the Senate were to take—we haven't had a great deal of time to look at all of these, as you can imagine—in our amendment we have not included message No. 14 because it was somewhat different from each of the others, Nos 9 to 13 inclusive and 15 and 16, to which my colleague the honourable member for Moore (Mr Filing) will be moving amendments. It is interesting to note that in modification 1 in message No. 14 from the Senate, the amendments referred to by the Senate also include reference to Independents but they are confined to an Independent senator or Independent senators.

I wish to make the point in support of the argument mounted by the honourable member for Moore, by stressing that the Senate looks after its own a little bit better than the House of Representatives has done thus far.

Mr Melham—They have had more practice.

Mr ROCHER—Yes, they have had more time; I understand that. There is recognition in the Senate of the role of an Independent senator, but there is none in these provisions for an Independent member of the House of Representatives. I wish to move in respect of message No. 14:

That the modification of the Senate be disagreed to and the following further modification be made to Senate message No. 14:

That all words after 'That' be omitted in modification—

Mr Leo McLeay—Mr Deputy Speaker, I rise on a point of order. We have not got to message No. 14 yet.

Mr DEPUTY SPEAKER (Mr Hollis)—I think the honourable member for Watson is correct. We should deal with the honourable member for Moore's amendment first and then, if there are subsequent amendments, we will deal with them then.

Mr ROCHER—I will foreshadow the amendment on No. 14. It might save a little time later, if the House is agreeable. I will continue to read my foreshadowed amendment: that all words after 'That' be omitted in modifications 1 and 2 and that at the end of paragraph (8) in modification 2 the following words be added: 'provided that in a deliberative meeting the quorum shall include one member of either House of the government parties and one member of either House of either non-government members or senators'; and in modification 2, omit paragraph (11) and substitute: 'that a quorum of a committee be two members of that committee, provided that in a deliberative meeting the quorum shall comprise one member of either House of the government parties and one member of either House of the non-government members or senators'. I will move to that effect at the appropriate time.

Mr LEO McLEAY (Watson) (1.52 p.m.)— There are a number of issues here that need to be canvassed and there are a number of my colleagues who wish to speak, so I shall not speak for all that long. I see that we are getting close to question time as well, so it might suit the Leader of the House (Mr Reith) to adjourn this debate shortly and we will come back to it later. I do not think we are ever going to get to some of the matters raised by the honourable member for Curtin (Mr Rocher).

There are a few very important points raised in this by the Manager of Opposition Business, the member for Hotham (Mr Crean) which relate to the way the government seemed to feel that because they had a good win in the election the only thing that matters is their will. We seem to have the view emanating from the government on a number of issues in this parliament at present that democracy is the government members having a vote and determining what the outcome will be.

I know it is an unfortunate thing for the government to have to take into account, but they do have to take into account the opposition in this House. If they do not take into account the opposition in this House, they will find that things will just slow down and they will make mistakes the way they have made mistakes on these provisions for parliamentary committees.

What we said two weeks ago, at about this time, was that the government should recognise the role of the opposition in the committee system and should provide that there should be room in the quorum provisions for members of the opposition to be present. We say that, recognising that the committee system works in a pretty well bipartisan way. What we have been concerned about in the way this government has behaved in the last few months is that one could not put aside the idea that they will probably try to run reports through committees without having any dissenting voices available.

If the government does not intend to do that, I do not know why they do not accept the opposition's proposal. I think if you look at what has come back from the Senate, you

see a fairly good middle road there. The Senate has not said precisely what we said last week and it certainly has not said what the government said. The Senate said that whenever there is a deliberative meeting of a committee—that is when the committee is about to make a decision which will be binding on the committee—there should be members other than government members present.

If the Leader of the House is sincere about this issue, he should be willing to say, 'We will accept the Senate's amendment'—as he has—'but we will also have some consistency with the House's own committee system. We will bring these amendments back and look at them for the House of Representatives.' If we did that, we could accommodate a number of the points of view that have been raised by the member for Moore (Mr Filing) because we could say, 'As long as we have a deliberative meeting, some non-government member must be at that meeting.'

That is fair. That is reasonable. I do not see why the Leader of the House does not accept that, unless, as we have come to know with the Leader of the House, there is another objective in the back of his mind. Knowing the Leader of the House, unless he has put it down in writing, he probably has some other objective in the back of his mind. The objective that he obviously has is to ensure that, some time in the future, they can try to ram through the committee system points of view which will suit the government and no-one else.

A couple of other issues that are important to the parliamentary committee system need to be aired at present. One is the government's attempt to truncate the work of the House of Representatives committees and the way they operate. The last time they put these standing orders up to the House, they reduced the opposition's representation on those committees. They increased the government's representation and reduced the representation of the opposition accordingly.

In the last week they have also fiddled around with the way the committees are staffed. In the last parliament, and in all the previous parliaments, each committee had its

own secretariat which worked for that committee and did the work of that committee. The government has changed that so that each secretariat now has to service two committees. So there will be less potential for the committees to do their work, and staff members will not know who their master is, who they are supposed to serve.

The government says that it is in favour of accountability and that it wants to raise standards. It thinks accountability means coming into the House each day, having 20 questions without answers, and saying, 'Well, aren't we very good!' That is not good enough. Accountability occurs in this parliament through the committee system. The easiest way to stop that accountability is to reduce the capacity of those committees to do their job and to load them up with government members. That is precisely what the Leader of the House has done here this week. As we go down the track, the rest of the Leader of the House's vision for the committees will come out.

If the government was reasonable on this, it would not only accept the Senate's recommendations but say, 'We will be fair. We will revisit our standing orders and accept that principle for our standing orders.' It is a halfway house. It is not precisely what the opposition asked for and it is certainly not what the government asked for.

We think that would be reasonable. Any fair person would think that was reasonable. That would ensure that we would not go through this rigmarole each time with the Leader of the House trying to run ramps through here which advantage the government. The Manager of Opposition Business has spoken about a number of other ways in which the Leader of the House has lost control of the House in the last month or so. It is time the Leader of the House realised that, unless he is fair to both sides of the House, he will never make this place work. The opposition is willing to accommodate the government. We are willing to cooperate, but we want a bit of fairness in the process. I seek leave to continue my remarks.

Mr SPEAKER—Order! It being approximately 2 p.m., the debate is interrupted in

accordance with standing order 101A. The debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE

Budget Deficit

Mr GARETH EVANS—My question is addressed to the Minister for Finance. Is it the government's position, notwithstanding yesterday's growth figures which so strongly suggest that our cyclical deficit is rapidly heading back to balance, that there is still some structural problem in Australia's government finances which demand an \$8 billion or thereabouts slash and burn exercise notwithstanding the pain? If that is your position, are you familiar with the comparative assessment of countries' structural balances made in the OECD *Economic Outlook* statistical series in calculations which wash out cyclical effects and focus on discretionary spending and taxing? How do you react to the latest OECD *Economic Outlook*—

Mr Reith—Mr Speaker, on a point of order: the Deputy Leader of the Opposition is out of order. This is another classic case of a speech from the Deputy Leader of the Opposition. He ought to realise that in the lower house, unlike the Senate, you are not entitled to give speeches by way of questions.

Mr SPEAKER—I thank the minister. I am sure the Deputy Leader of the Opposition is addressing his question. I would encourage him to define the question as quickly and as positively as possible.

Mr GARETH EVANS—On the point of order, Mr Speaker: two sentences, one of which begins 'Is it the government's position that' and the second one of which is 'Are you familiar with', surely count as a legitimate question within this place or in any other parliament in the Western world.

Mr SPEAKER—Prefatory, yes. Let's get to the question.

Mr Downer—Are you still asking the question?

Mr GARETH EVANS—Yes, indeed I am—and you will hear a few more of them, so stick that in your pipe and smoke it! If you

are familiar, or even if you are not familiar—as almost certainly you are not—with the statistical series in question, how do you react to the latest OECD *Economic Outlook* findings which make it clear that, of the world's 19 major developed economies, Australia has the second lowest structural deficit?

Mr FAHEY—I thank the honourable member for his question. The honourable member has raised the question of the deficit—that is the deficit, of course, which he told this House only a few weeks ago was a deliberate policy choice on the part of Labor. He contrasts that with the statements of the Leader of the Opposition, who continued to go round Australia saying, 'There is no deficit. We have a surplus. There is no problem.' He refused to be honest with the Australian people.

In respect of the OECD part of his question, the Treasurer told this House only earlier this week that, in the conference that he went to in Paris last week, it was agreed that the two areas which all finance ministers in the OECD countries had to address were the deficits and the need to change the way in which we did our business. Changes to labour market and micro-economic reform were areas that were agreed to by all OECD finance ministers. The Treasurer was present. That is the policy of this government.

All of a sudden, Labor seems to think that, because a good national accounts figure was released yesterday, the problem has gone away. That was yesterday. We are about tomorrow. Tomorrow there will still be an \$8 billion Beazley black hole and that has to be addressed. There was some very sobering news today on the balance of payments. In 19 consecutive quarters of growth, we have seen four per cent average growth in the last three years. What has our economy got? We find we have got an \$8 billion deficit. The money-box did not get filled overnight despite your wish that it would.

We will continue to address that deficit, as we must, to improve national savings and to ensure that there is a climate for growth, and sustainable growth, in the future. If you do not address the problem when there is a period of growth then there is no chance

when there is a downturn. We intend to act responsibly for the future. The budget will be delivered in a responsible fashion in August this year.

Current Account Deficit

Mr RONALDSON—My question is addressed to the Treasurer. Can the Treasurer advise the House of the outcome of the April balance of payments? What are the implications for Australia's budget of the current account problem?

Mr COSTELLO—The preliminary balance of payments estimate for April 1996 released today indicates a seasonally adjusted current account deficit of nearly \$2 billion. This is a sobering result. This, again, illustrates the way in which the current account deficit acts as a speed limit on growth in Australia. As we have seen in the past, as growth has increased so, too, has the current account deficit and there have been moves to restrain growth through the use of monetary policy.

It is absolutely critical that we in this country increase domestic savings. For the Australian economy to have been running budget deficits of the dimension that it was after four years of economic growth, illustrates the deep mismanagement and irresponsibility of the Labor government. It is absolutely essential that, if we are to reduce the current account deficit, we increase savings in this country. This government is determined to do its part. This government will not allow a situation where it runs down savings like the profligate, negligent mismanagement that we inherited from the Labor Party.

This is a government that will take its responsibility. This is a government which will respect its responsibility to future generations of Australians. Today's figures should be a sobering response to the drunks that were running around yesterday saying that there was no longer any need for economic reform in this country. There is. It will be a hard and long task, but it will be a task that this government will not shirk.

National Accounts Figures

Mr CREAN—My question is directed to the Treasurer. I refer to your comments yesterday on the excellent growth and productivity figures for the March quarter. Given that yesterday the member for Cowan had the decency to apologise for claiming someone else's work as his own, will the Treasurer also do the decent thing and acknowledge that yesterday's figures were all Labor's work and had nothing to do with him?

Opposition members—Hear, hear!

Mr SPEAKER—Order! We have moved on since yesterday.

Mr COSTELLO—This is the reason why they should not draft his questions on 24 hours notice, because, if his questions were right, would he stand here and take responsibility for today's balance of payment figures? Will you? Will you? Oh, we don't want to talk about today. You get one good growth figure, and I welcome it, as I said, but—

Opposition members—Oh!

Mr COSTELLO—Get ready for it: there will be more of it. We have plans for much more of it. Like two-pot screamers, they run around drunk. Today the hangover comes. The responsibility comes. The balance of payments indicate what I said yesterday: the importance of national savings, which are at historic lows in this country.

What measures can the government take and what policies can it put in place to develop national savings? The first thing it can do is stop running down savings. The first thing it can do is stop running up debt. The first thing it can do is it can eschew the irresponsible policy of the profligate spend-thrifts of the Labor administration who tripled government debt in four years. It was an intergenerational shift against future Australians. That was the policy. It was a form of financial child abuse. That is what it was—a policy to triple debt against generations of future Australians!

Mr Beazley—I rise on a point of order, Mr Speaker. We accept that we have a more than usually puerile Treasurer in this place, but I take offence at the expression that the government was running a form of child abuse in

any area when we were in office, and I ask for that to be withdrawn immediately.

Mr SPEAKER—There is no point of order.

Mr Beazley—It is not a point of order; it is taking offence, and I am asking for a withdrawal.

Mr SPEAKER—Do you find the comment personally unacceptable?

Mr Beazley—I certainly find the comment personally offensive.

Mr COSTELLO—The comment was 'a form of financial child abuse'. Running up debt is exactly that.

Mr Beazley—Are you going to withdraw that or not?

Mr COSTELLO—Of course I am not.

Mr SPEAKER—Order! I am in charge. The Leader of the Opposition has taken deep offence at the remark. I ask the Treasurer to withdraw his comment.

Mr COSTELLO—They are unusually sensitive, Mr Speaker.

Mr SPEAKER—I ask you to withdraw the comment.

Mr COSTELLO—If you ask me to, I will. Let me make it clear: it is intergenerational financial impropriety. I hope you do not take any offence to that. The basis of the offence is that you will not stand up to, nor can you account for, the fact that Commonwealth debt tripled over the last four years. There is only one way to stabilise and then pay back debt. That is to get the Commonwealth account into balance, and eventually surplus. The only way in which that can be done is to make sure that we get that account into balance. That is the policy of this government—fiscal consolidation. That is the policy which remains unchanged and which will direct us in the process of the forthcoming budget.

Budget Deficit

Mr ANTHONY—My question is addressed to the Prime Minister. Can the Prime Minister advise the House whether he has seen reports alleging that the \$8 billion black hole has disappeared as a result of yesterday's positive growth figures released in the national ac-

counts for the March quarter? Is this the case? If not, what would be the consequences for employment and growth of not proceeding with the government's program of fiscal consolidation?

Mr Crean—Take this, Prime Minister, just in case you missed it.

Mr SPEAKER—The member for Hotham will resume his seat.

Mr Martin—Lucky you didn't throw it, Simon.

Mr Crean—No, I wouldn't throw it. He might have told me to shut up.

Mr SPEAKER—Order! I will tell you something much more severe than that in a moment. After standing order 303 comes 304. Watch it.

Mr HOWARD—I am indebted to the honourable member for Hotham. I would never have realised until he flashed that newspaper in front of me that those claims had been made. As a result of that, I say to the honourable gentleman that the debate that has proceeded in the wake of yesterday's growth figures does seem, with respect, to have ignored one thing—that is, the \$8 billion figure was not based on the growth figure for the March quarter. It was not based on the growth figure for the year to the end of March 1996. It was based upon—

Mr McMullan interjecting—

Mr HOWARD—I think the honourable member for Canberra would agree with this, but if he disagrees he can ask me a question based upon that disagreement. Surely the reality is that the \$8 billion figure was based on the latest forecast of growth for the year commencing 1 July 1996. It was not based on the growth figure for the year ended 31 March 1996. In all of the discussion in the newspapers and in all of the rhetoric, how can a black hole based on a future forecast disappear as a result of a previous result?

Everybody is saying that a black hole based on a future forecast, delivered by the Treasury, has disappeared because of a previous outcome. If we are to have any kind of rational debate in this place, we ought to at least understand that until such time as the

forecasts for next year are altered up from 3.25 per cent, there is no justification for anybody saying that the \$8 billion black hole has disappeared. I can see the member for Gellibrand nodding his head. He is an honest man. He might have had those letters blow up in his face, but he is an honest bloke, and he knows.

Let there be no misunderstanding: the \$8 billion projection was based upon a forecast about growth in the year commencing 1 July 1996. Whether that forecast will turn out to be higher as a consequence of forces in the economy and whether that figure is ultimately influenced by the forces that produced the outcome of 1.8 per cent in the March quarter and therefore the figure of 4.8 per cent for the year ended March 1996 will depend on advice yet to be received by the government from the federal Treasury.

Mr Crean—Why has this article got it wrong?

Mr HOWARD—The honourable member for Hotham can hold up as many articles as he likes from the *Courier-Mail*, from the *Sydney Morning Herald*, from the *Financial Review* or, indeed, from any other newspaper. But nothing can alter the fact that, until the forecasts for the next financial year are altered upwards, there can be no basis for the claim that yesterday's figure has undermined the \$8 billion black hole claim.

Budget Deficit

Mr WILLIS—My question is directed to the Prime Minister and relates to the answer just given by him. I refer the Prime Minister to the fact that in the release by the Treasurer of the revised budget figures soon after the government came into office the Treasury noted that, as a result of changed growth forecasts for 1995-96 and 1996-97 and changed inflation forecasts for 1995-96 and 1996-97, the nominal level of GDP for 1996-97, as a result of the combined effect of the two years, was 2¾ per cent less than had previously been forecast. As a result of that lower nominal GDP figure, there was therefore less revenue forecast and also, with less growth, higher outlays in unemployment benefits, et cetera. In the light of that, how

can the Prime Minister now maintain that it is only the future growth forecast that matters when it is clear that the revised budget figures spun off the fact that there was a reduced base for 1996-97 coming from a projected more worse outcome for 1995-96, on which they then had lower growth figures for 1996-97? Does he not accept that it is a combination of the growth forecast for 1996-97—and inflation forecast as well for that matter—and the lower base for 1995-96, which yesterday's figures have clearly shown is not going to occur?

Opposition members—Hear, hear!

Mr SPEAKER—Order! We are all trying to gather our thoughts.

Mr HOWARD—I thank the honourable member for Gellibrand for his question. As I acknowledged in my answer, of course the figures for the year ended 31 March 1996 can have an influence—

Opposition members—Oh!

Mr HOWARD—I did. I acknowledged that. They can have an influence. I would remind the honourable member for Gellibrand that it is also the case that it is not only, as you acknowledged in your question, the aggregate growth outcome that has an effect on future forecasts of budget deficit but also, as you acknowledged, the revenue analysis. The revenue analysis contained in yesterday's figures was nowhere near as optimistic as the aggregate growth forecast, which further undermines the claim that you and your colleagues have been making that yesterday's figure has destroyed the veracity of the \$8 billion black hole claim.

Mr Crean—It has. Look!

Mr HOWARD—It will take more than the raucous interjections of the member for Hotham. As you have acknowledged, there is a link between the two of them, and that is not disputed by us. But, until such time as the more rosy projection contained in yesterday's outcome is translated into a better forecast for next year, it remains the case that the \$8 billion black hole has not been detonated as a proposition. It is not invalid. It is totally ridiculous of you, as you ought to know, to make that claim.

Financial System

Mr TONY SMITH—My question is addressed to the Treasurer. Can the Treasurer advise the House of the initiative he is taking to ensure that the regulatory environment for Australia's rapidly evolving and developing financial system keeps pace and remains relevant?

Mr COSTELLO—Today the government has announced the terms of reference and membership of its financial system inquiry. This is an opportunity to do a stocktake of developments arising from the Campbell committee and the changes to the regulatory system that came in its wake; to assess the benefits and identify the failures; to look down the track for 10 or 20 years and take account of globalisation, financial innovation and technological change; and to make sure that Australia has the most modern financial regulatory system that can possibly be put into place.

I am proud to announce on behalf of the government that the inquiry will be chaired by Mr Stan Wallis, known nationally and internationally for outstanding achievements as the Managing Director of Amcor Ltd, one of our major Australian companies. He has agreed to take leave of absence from the AMP Society's principal board in order to undertake this assignment. I thank him for the commitment to the inquiry that he has shown.

Other members of the financial system inquiry include Mr Bill Beerworth, Professor Jeffrey Carmichael, Professor Ian Harper and Mrs Linda Nicholls. All have experience in the financial sector, in different institutions, and some in regulatory roles as well.

This is the opportunity for Australia to set the scene for the 21st century. It is the opportunity to get it right. It is the opportunity to deliver benefits to people through improved services, competition, lower costs and more consistent regulation for prudential and consumer protection. This is a historic opportunity for Australia and its financial system. This is an opportunity which will change the way in which the financial system operates and in which economic life is conducted in this country for a very long period of time. On behalf of the government, I thank those

who are taking part. I take this opportunity to indicate the high expectations and the high outcomes that the government places on this inquiry.

Higher Education Funding

Mr BEAZLEY—I love being lectured on intergenerational impropriety by people who left a \$25 billion deficit! My question is addressed to the Prime Minister. I refer the Prime Minister to his statement on the John Laws program on 13 May when he said: 'I am desperate to be an honest man.' I also refer the Prime Minister to his pledge to the Australian people before the election to 'at least maintain the level of Commonwealth funding to universities both in terms of operating grants and research grants'. Is it the intention of the Prime Minister to be an honest man and honour the pledge?

Mr HOWARD—It is the intention of the Prime Minister to place a much higher premium on keeping election promises than any other objective. I take the opportunity, seeing as though the Leader of the Opposition has extended it to me, to say a couple of things to the parliament about the inevitable conflict between fiscal objectives and election commitments. We can exchange our own observations about growth figures and the implications of them to our heart's content. At the end of the day any government has to reconcile fiscal goals and political and other obligations that have been entered into.

Those opposite were responsible for jacking up taxes without any warning in the 1993 budget and were responsible for introducing an industrial relations bill in 1993 of which they had given no warning during the 1993 election campaign. They had not mentioned it. The only person who knew about it was Jennie George.

In the context of higher education, I say to the Leader of the Opposition that, as I indicated yesterday, I have arranged in consultation with my colleague Senator Vanstone to meet representatives of the vice-chancellors. I would be very careful if I were those on the opposition benches before I jumped to rhetorical conclusions about the outcome of our budget deliberations. I can only say to those

sitting opposite that when it comes to a reconciliation of fiscal objectives and the keeping of electoral commitments they will find, as will the Australian people, that no Prime Minister and no government in the history of this country will have placed a greater premium on the keeping of electoral commitments than I and the government that I am very proud to lead will.

National Day of Action

Mrs BAILEY—I direct my question to the Minister for Schools, Vocational Education and Training. Can the minister outline to the House the reasons for the so-called national day of action?

Dr KEMP—I thank the honourable member for McEwen for her question. It is worth drawing to the attention of the House that the so-called national day of action by university staff has been scheduled for today for quite some time. In fact, it has been scheduled for today since the government won the election in March.

The dispute that provided the focus for this national day of action is not a new matter. This dispute arose out of the former government's, and particularly the member for Hotham's, bungling of university industrial relations. Its origins lie in the way that the former government dealt with the salary claims of university staff.

Mr Crean—We made the offer.

Dr KEMP—Let me inform the member for Hotham and the House of the nature of the offer that was made. He offered university staff—do you remember this?—a permanently supplemented increase of 5.6 per cent. Do you remember that? You knew at the time that that would never be delivered. It was not delivered.

Mr Crean—They didn't accept it.

Dr KEMP—When it was taken to cabinet, the cabinet rolled you. That was not the offer that was made. You have forgotten—think back honestly. You were rolled in cabinet. The cabinet decided to offer the university staff a loan to pay for the increase. That was the offer that was rejected.

Mr Crean—You stay up too late at night.

Mr SPEAKER—Order! The member for Hotham had a late night last night; he'll have an early night today. Does he want an early mark?

Dr KEMP—He got the expectations of staff sky high with a promise that was never going to be delivered. He was rolled in cabinet and the offer that finally came out was rejected. It is very interesting to read the words of the honourable member for Hotham in *Saturday's Age*, and the House would be interested in this. He said:

What I can't stand are people who are two faced, who say one thing and mean another.

This was the man who misled the whole electorate during the election campaign with his deceit over funding for programs for unemployed people.

Mr Crean—Mr Speaker, on a point of order: he can only make a claim like that by way of a substantive motion.

Mr SPEAKER—There is no point of order.

Dr KEMP—He misled the Australian people by his deceit during the election campaign.

Mr Crean—He has just said I misled.

Mr SPEAKER—A substantive motion may follow.

Dr KEMP—He misled the people, deceitfully and deliberately, through the election campaign that funding for labour market programs could be maintained. Equally, he misled the staff of the Australian universities.

Mr Allan Morris—Mr Speaker, I rise on a point of order. The question asked the minister for the cause of today's national day of action. He pointed out that it was organised after the election. Therefore, the answer is not relevant at all to the question when he is speaking of the previous government. So, Mr Speaker, can you please bring him back to the question?

Mr SPEAKER—Neither is the point of order relevant.

Dr KEMP—The whole situation that has arisen is symptomatic of what was wrong under Labor's industrial relations arrangements. Not only did the accord betray

Australia's workers and reduce their wages, but also it gave university staff no opportunity, through enterprise bargaining, to gain the salary advantages of any productivity increases. Your centralised system damaged university staff in exactly the same way as it damaged workers throughout Australia. The member for Batman knows that only too well because Jennie George has already pointed it out to him.

The government believes that wage rises should be productivity based, that they should be negotiated on an enterprise by enterprise or site by site basis and according to the individual conditions faced by employers and employees at that site. To resolve this dispute, university vice-chancellors need to meet with their staff and negotiate an arrangement which reflects the circumstances on their campus.

Since that time, references to budget decisions have been added to this dispute. As the Prime Minister pointed out in his previous answer, no decisions have been taken, but you and your mates are seeking to scare the university community and—

Mr Kerr—Mr Speaker, I rise on a point of order. Earlier, despite the absence of any standing order that specifically goes to your power to control the length of questions, you admonished the shadow Treasurer and asked him to bring his question to a close. It might be useful to suggest a closure to the minister, who is certainly trespassing on the propriety of these issues.

Mr SPEAKER—There is no point of order. I am the judge of the length of answers.

Dr KEMP—This kind of industrial action and strike can have a very damaging effect on the universities. The opposition might reflect on this before it goes out of its way to support and encourage strikes of this kind. It is worth noting that last year's industrial action at the National University, which took the form of disrupting mail deliveries and bans on the collection of rubbish, resulted in a 15 per cent reduction in international student enrolments at that university. We now have some extreme groups amongst the student body, with the support of the unions, telling people overseas, 'Don't come to Australia.'

The action that you and your mates are taking and supporting holds the prospect of very severely damaging the income of Australian universities. When those universities find that this scare talk which you are generating is positively damaging the prospects of students at those universities and staff, they will only have one group to turn to to blame for that—and that will be you, because this government remains committed to Australia's university system and its world-class quality.

Higher Education Funding

Mr BEAZLEY—I ask the Prime Minister a further question to the one I asked him before. Does he recollect these quotes? At a press conference he gave in Brisbane on 2 February, he said:

The difference between him—

the former Prime Minister, that is—

and me is I am prepared to be honest before the election about my intentions afterwards. If he scambles back into power he will say, 'Oh well, circumstances are different.'

I ask the Prime Minister whether he also remembers saying:

If you change your policy position and you tell the public before they vote, that is an utterly different thing from deceiving them before they vote and then doing the opposite thing after you have got their vote. That is the ultimate in political deception.

Do you also remember telling John Laws, on that same program I quoted to you before, that keeping your promises would override any particular budgetary objectives that you had? In the light of those three statements, will you now give the vice-chancellors an undertaking that you will keep your promises on higher education?

Mr HOWARD—I remember those quotes very clearly. I am indebted to the Leader of the Opposition for raising them. I might remind the House that the comment about saying one thing and doing something differently when you got in was made in the context of the duplicity of the former Prime Minister and the former Treasurer about the sale of the Commonwealth Bank. That is what it was about. Do you remember that, Ralph? Do you remember the prospectus? You remember it, don't you? Do you remember

the solemn word that you gave to the Australian people about the sale of the Commonwealth Bank? I remember it very clearly. That was the observation. What I was really saying was that, unlike the Labor Party, we were prepared to say before the election that, if we won the election, we would sell a third of Telstra. What they were trying to do was the con trick of saying that they would not sell any of it, but if they had won the election they would have sold the lot. That is what I was referring to.

Coming to universities, can I say to the Leader of the Opposition that I do remember making that observation on the John Laws program about the priority that I attached to the keeping of election commitments. I would counsel the Leader of the Opposition, and others who are minded to do so, not to jump to conclusions about the priorities that have been placed so far as election commitments are concerned. Regarding answers, I will give answers at the appropriate time and not at a time of your nomination.

Paedophile Inquiry

Mrs ELSON—My question is addressed to the Minister for Foreign Affairs. Has the minister seen reports that the paedophile inquiry he announced yesterday will not have the power to compel witnesses who are not public servants to attend before it? What is the minister's response to these reports?

Mr DOWNER—I thank the honourable member for her question about a very important issue, and that is the establishment by the government yesterday of an inquiry into various allegations of paedophile activity within my portfolio.

When we as a government were drawing up the terms of reference for this inquiry, we obviously worked on the basis that there would be a completely bipartisan approach to the issue. I know the member for Holt has been involved in dealing with some of these problems in the past during his time as the foreign minister and, I suspect, so has his predecessor. This is an issue that all sides of politics, certainly all members of this House, want to ensure is cleared up, and cleared up properly.

Imagine my surprise when, sitting in the House yesterday, I heard none other than the member for Kingsford-Smith break forth, I think, for the second time in his period as the opposition spokesman on foreign affairs. The only press release you have put out was one saying that we should raise the issue of Mrs Gillespie with the Malaysians. Do you know what Mrs Gillespie said in response? She said it was nauseating that you should have done such a thing.

I must admit that the effort yesterday was pretty close to the first effort. It was also pretty nauseating that you should come into this House and try to make a party political point out of a very sensitive issue like that.

Opposition members—Oh!

Mr DOWNER—You don't like it, do you? You can dish it out, can't you, but you can't take it.

He's like the lion from the Wizard of Oz—big growl but no courage. Or the straw man—no brain. The honourable member for Kingsford-Smith said:

The inquiry will have no power under the Public Service Act to compel witnesses who are not public servants, and it will have no power to compel witnesses who are former public servants.

Is that what you said? That is wrong—that is simply wrong. They are your words. That is factually incorrect and, if I may say so, just downright lazy.

If you want to make a political point, if you want to play party politics on some of these things, make sure you have your facts right first. Make sure you get them right. You will not find your mate, the member for Holt, getting into this in the same way. He won't do it. And you will not find any of your other colleagues doing it either. You are on your own on this one because you are wrong in your analysis. You have not read section 19 of the Public Service Act, paragraph 3, which I will not delay the House's time by reading out—

Opposition members interjecting—

Mr DOWNER—All right, I will:

Any person, not being an officer, who, after payment or tender of reasonable expenses, neglects or fails, without reasonable cause, to attend in

obedience to the summons, or to be sworn, or to answer questions or produce documents relevant to the subject of the inspection, inquiry or investigation, shall be guilty of an offence under this Act.

The penalty is imprisonment for six months. I would have thought that even the member for Kingsford-Smith—the straw man from the Wizard of Oz—would have bothered to have read that before making party political points.

Mr Speaker, I am disappointed that the Labor Party spokesman would do this. But I am absolutely confident that the Labor Party as a whole would not behave in that sort of way and would join in the broad sentiment of this House that these issues should be dealt with on a proper bipartisan basis.

DISTINGUISHED VISITORS

Mr SPEAKER—Order! I understand that today we have with us in the gallery the Hon. Jim Ah Koy, the Minister for Trade from Fiji. I extend a very warm welcome to you, sir, and hope that you enjoy your stay in Australia.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Paedophile Inquiry

Mr BRERETON—Mr Speaker, my question is addressed to the Minister for Foreign Affairs. Will the minister admit to the House that paragraph 4 of section 19 of the Public Service Act 1922 provides:

Nothing in this section shall be construed as compelling a person to answer any question which would tend to incriminate him.

Will he admit to the House that this is not a provision that would be involved in any royal commission along the lines I called for yesterday? Will he further admit that paragraph 3 of section 19 provides for 'any person' who has any 'reasonable cause' not to attend? Will he admit to the House that there is every likelihood that people key to the inquiry that he outlined yesterday may well not return to Australia using the 'reasonable cause' provision? Will he further admit to the House that section 19, paragraph 1(a), limits the powers of any inquiry to enter only such things as departments; there is no general power of entry?

Mr DOWNER—Mr Speaker, paragraph 4, to which the honourable member refers, is a general principle of criminal law. Everybody on this side of the House knows that, and all the lawyers on that side of the House know that.

Can I just make this point: it is absolutely incredible that, for the 13 years you have been in office—and in those 13 years you have had two foreign ministers with one of them, the member for Holt, sitting over there—these matters have apparently been going on. You had the member for Holt in the Senate late last year—

Opposition members interjecting—

Mr DOWNER—If you want to make a party political issue of this, I will give it to you. You had the member for Holt last year in the Senate saying that he had cleared all these matters up and that the whole matter was solved. Then what happened? After your 13 years in power, we have set up a proper investigation into this matter. You had 13 years to do something about it and you did nothing.

I have to say that I am a very restrained politician. It does not become me to want to reduce these sorts of issues to party political questions. But—there is a bit of a but here—there are quite a lot of points I could make if the Labor Party wants me to.

Suffice it to say that you had 13 years to deal with this matter but when we set up a proper inquiry into it you complain. You complain that the inquiry is not tough enough—when you spent 13 years ignoring the issue, or at least dealing with it in a very haphazard and slapdash way.

I would have to say that it is a pretty poor effort for the member for Kingsford-Smith to try to make party politics out of something as serious as this. It shows what a cheap and shoddy politician he is.

Regional Security

Mr LINDSAY—Well done, foreign minister! Mr Speaker, my question is addressed to the Minister for Defence. I refer the minister to his comments of 3 May at the

conference on the new security agenda in the Asia-Pacific region. Minister, you said:

Our defence begins with the security of the region. Policy must be structured in such a way that the ADF is able to make a substantial contribution to regional security as a whole.

Minister, in light of the increasing focus on regional security, do you see Australia's northern defence bases increasing in importance in the future?

Mr McLACHLAN—I thank the honourable member for his question. He has continually and persistently shown interest in this matter and many more. That is why he is the new member for Herbert.

Apart from the comments that I made, there have been a number of comments made by a few people of recent times about Australia's increasingly outward looking defence stance and the cost of maintaining and improving the same. I suppose that focus could best be described as saying this: there can be no peace in Australia without security in and with our region.

In regard to the honourable member's electorate and the RAAF at Townsville, there is the operational deployment force at Lavarack, which is the army's top quick-response unit and which did an excellent job in Somalia in 1993. I have to say that it is a very good example of the sort of outward looking force that we will be increasingly deploying in the north.

Defence forces in the north, and our northward facing view of life in regard to defence, give us an opportunity to talk to our alliance friends, particularly the Americans, about possibilities in the future to use—and I want to make this quite clear—facilities or ranges or training areas on a part-time basis. There have been some comments in the press about the use of bases. We have never had that proposition put to us by the US forces since we have been in government.

In the next month or so I will be talking to the Americans about new possibilities in this area and about pre-positioning some equipment in Australia—although, I might say, there have been no definitive propositions put to us. As well, I might say while I am on my feet, the government will be honouring its

commitment to uphold its defence budget. Although there is no foreseeable threat—

Mr Kerr—We will do it with defence but not education.

Mr McLACHLAN—I am glad you raised the subject. I wanted to say that I know, and we all know, there is no foreseeable threat, but there are some unwise people about who think that we can have peace without vigilance. I will just give you an example—and I say this in a cautionary sense; not a partisan sense. Probably the prime example that one could quote was a quote made in this House some time ago. The quote was this:

. . . any increase of defence expenditure after the Munich Pact so far as Australia is concerned appears to me to be an utterly unjustifiable and hysterical piece of panic propaganda.

That quote—just for cautionary reasons—was made by John Curtin in this House 10 months before the start of World War II.

Honourable members interjecting—

Mr SPEAKER—Order! It has been a long, hard couple of weeks. Everybody is getting a bit tired and tetchy. Let's just play it cool and get on with the questions.

Higher Education Funding

Mr PETER BALDWIN—It is interesting to see, in the answer to the previous question, the selective confirmation of election promises.

Mr SPEAKER—Order! To whom are you addressing your question?

Mr PETER BALDWIN—My question is directed to the Prime Minister. Does the Prime Minister concur with the statement of his education minister to the Graduate Careers Council last week that the massive expansion of university places under Labor was 'a handy form of political largess'? Does he also concur with his minister's clear indication on *AM* this morning that funding cuts will result in reduced student intakes? Will he stick with his election promise to match all of Labor's additional places?

Mr HOWARD—I heard some of the interview this morning. I did not hear that part of it, but the other part of the interview

I did hear. I concurred with everything that my colleague said.

As far as the earlier remark is concerned, I do not know the full context in which it was made and, therefore, I am not going to be drawn to comment. But can I say to you that I will be meeting the vice-chancellors in the next couple of weeks. We have absolutely no intention of taking a punitive approach towards universities. I believe that, when the final decisions of the government regarding universities are announced, the public and the opposition will find that we have given fair, proper and appropriate treatment to that sector and to the students of Australia.

Australian Customs Service

Mr ZAMMIT—My question is directed to the Minister for Small Business and Consumer Affairs. Minister, we have heard much from the opposition over the past few weeks on the possibility of closure of offices of the Australian Customs Service. Can the minister advise the House which previous Customs offices were closed and where?

Mr PROSSER—I thank the member for Lowe for his question. There has been a great deal of attention in this parliament in the last number of weeks in regard to potential closures of Customs offices. It would seem that members on the other side have ignored the fact that there have been a number of offices which have been closed in the past. Indeed, over the last eight years, nine offices have closed in the Customs Service. In fact, we did not hear anything. So eight offices closed in the last nine years. Did we hear anything from that lot? We did not hear anything at all.

Where were the offices that closed? For a start, one in Devonport in Tasmania died in 1993. Here is one that will be very interesting. It is a ripper. In 1994, the Customs office in Bankstown closed. Did the local member complain or object? No, he did not.

Mr McGauran—Who was the local member?

Mr PROSSER—I don't recall. I think he quit. The office in Kurnell, New South Wales, closed in 1995; Bowen in Queensland in 1994; Rockhampton in Queensland in 1989; the Gold Coast office in 1988; Maryborough,

Queensland, in 1988; Groote Eylandt, Northern Territory, in 1992; Exmouth in Western Australia in 1992; Derby in 1982; and Westernport and Thevenard in South Australia. I think what the closure of these offices indicates is that the nature and role of Customs over that particular period have changed. Customs acknowledges that the roles of their service and their offices do change, and it does result at different times in the offices no longer being needed at the particular location.

Some of the changes come about because of a change in the nature of trade, better technology and a change in the nature of the Customs Service. I mentioned in the parliament before that Customs in these areas is working smarter with technology; it is responding to the fact that the nature of the client base is changing. In fact, any closure of offices in the future will not bring about any diminution of the Customs Service to any of its clients.

Banking

Mr ANDREN—My question is directed to the Treasurer. Does he support the withdrawal of Commonwealth Bank services from Kandos, Canowindra and Grenfell announced last Friday before the bank's extravagant advertising campaign for its latest share float? Is this the price of privatisation for small communities throughout Australia—maximising profits for shareholders and minimising services to small business, pensioners and farmers in the bush?

Mr COSTELLO—I am not aware of those particular branches, but it is the policy of the government—as indeed it was the policy of the previous government—to sell off the shareholding of the Commonwealth Bank.

Mr Kerr—How about regional business?

Mr COSTELLO—You were part of the government that introduced the policy, so I would not get too noisy about it. It was a Labor Party privatisation. The then opposition, which cooperated in relation to major privatisation proposals, supported it—a period and a piece of conduct we would urge on the current opposition. We never stood in the way of the then government's privatisation program, and we would ask you to do the same.

But whilst you were prepared to privatise airlines, whilst you were prepared to privatise banks—all in breach of election policy, of course—you now say it is impossible to privatise telecommunications services. Opportunistic and no principle.

Let me say in relation to those branches that it is the management of the Commonwealth Bank that will be making those decisions. Personally, I think that the Commonwealth Bank, or indeed any other bank, would be foolish to withdraw services which are used, and profitably used. I do not know whether those branches have alternative arrangements put in place but, for my own part, I believe that the banks should be providing a high level of service to small business, to consumers. We think that it is in their interest that they have those banking services available, and I would urge not just the Commonwealth Bank but all banks to consider that.

But, at the end of the day, it is the management that has to take those decisions. I do not instruct them in relation to those decisions, and they will take those decisions in accordance with the facts as they know them and, I am sure, any representations that will be made to them by those affected.

Training Packages and Wages

Mr MAREK—My question is addressed to the Minister for Schools, Vocational Education and Training. Will the minister please detail to the House the current arrangements for approval of training packages that were established by the Labor government and inform the House of the current provisions for the payment of training wages?

Dr KEMP—I thank the honourable member for Capricornia for his question and his interest in these important matters. There has, of course, been a great deal of feigned indignation from the other side of the House about ministerial approval of training authorities and the wages of trainees. The member for Batman has expressed his concern that, if the minister could appoint at his discretion the members of a training authority, the minister could appoint anybody. The minister could

even appoint someone like Jeff Kennett, the highly successful Premier of Victoria.

Let me inform the House that the principle of the minister designating who can approve training arrangements is not a new principle at all. In fact, it was firmly established during the days of the previous government by none other than the member for Hotham. It is funny how we keep coming back to him. When the previous government set up its Nettforce arrangements, it was the then minister who appointed the people who could approve these training arrangements. And who did he appoint? Well—surprise, surprise!—he appointed Bill Kelty and Joan Kirner.

So don't you come into this House and tell us that we are proposing to establish a new principle for the appointment of those who can approve training arrangements. In fact, the only difference between us is that we are going to see, unlike the previous government, that there will be proper consultation with the states, with the territories and with industry before final decisions are taken on the operation of the approval process, including the nature of the authorities that will be declared and the guidelines that will apply. You did not consult, and your system did not work. Let me say that there is a challenge before all levels of government to set in place arrangements which will meet the needs of small and medium sized businesses for training which genuinely improves their productivity, their competitiveness and their bottom line.

To address the second part of this question, there has also been a great deal of feigned indignation on the other side of the House about the possibility of trainees earning sums just above the jobsearch allowance of \$116. It is time to inject some reality into the debate. What the member for Hotham did not say when he raised this issue in the House is that on 9 May 1994 he met with the ACTU executive—with the person who is now the member for Batman—and agreed with the ACTU that a 16-year-old trainee could be paid \$125 a week. He did not tell the House this because, of course, it would have confirmed the fact that he accepted the principle that trainees should be paid for their productive work. This amount of \$125 a week that

the member for Hotham and the member for Batman agreed on for 16-year-old trainees—do you remember that?—is now \$128 a week.

Mr Crean—You've got it wrong again.

Dr KEMP—No, this is absolutely right. Why don't you admit it? You said you couldn't stand two-faced people. I don't know how you can lie straight in bed. You couldn't speak straight if you tried! Under Labor's rules, this payment, which can be paid to 16-year-olds or year 10 school leavers, represents the payment for 50 per cent of their time in training and 50 per cent of their time in productive work. Nor did the member for Hotham inform the House that under Labor's system there are now over 530,000 part-time workers in Australia who are earning less than \$120 a week.

Mr Reid—How much?

Dr KEMP—Over 530,000 part-time workers in Australia are earning less than \$120 a week. They do not have the opportunity, under the system that you set in place, to do some training with an employer that will give them a foothold into a full-time job. The fact is that the policy supported by the people on the other side of the House has virtually wiped out full-time job opportunities in this country over the last six years. Instead of spreading disinformation and scare talk about arrangements which will provide young people in this country with the opportunity to get their foot on the ladder towards a full-time job, you might start being constructive and support proposals which embody principles which you put in place but which you could never make work.

Higher Education Funding

Mr ADAMS—My question is directed to the Prime Minister. I draw the Prime Minister's attention to the speech by the Minister for Employment, Education, Training and Youth Affairs to the Graduate Careers Council last week in which she criticised the 67 per cent real growth in funding for universities that occurred under Labor and which she contrasted with slower rates in other areas of government spending. Does the Prime Minister share his minister's clear view that

the expansion of real funding for universities under Labor was an inappropriate priority?

Mr HOWARD—I do not think you can necessarily draw that construction from the speech that she has made.

Mr Crean—But she did.

Mr HOWARD—I have to say to the honourable gentleman that I have not read that speech in full—perhaps I should have, but I haven't—and, therefore, I am not going to be drawn into accepting your interpretation of a speech which I have not read.

Department of Administrative Services

Mr BOB BALDWIN—My question is addressed to the Minister for Administrative Services. Has the federal government announced it will shut down the Department of Administrative Services in Newcastle? If not, can the minister assure the people of Newcastle, and the Hunter in particular, that this department will be maintaining a presence in that region?

Mr JULL—No, the federal government has not announced it will close the Department of Administrative Services in Newcastle. However, my attention has been drawn to a media release entitled 'Federal government continues to implement its anti-regional policies'. It commences:

The Federal Member for Newcastle, Mr Allan Morris, has announced that the Federal Government will shut down yet another Federal Department servicing Newcastle and the Hunter Region.

It claims that my representatives notified staff that funding for DAS's Newcastle office would cease at 30 June 1996. The member for Newcastle seems to have relied in part on a well-intentioned but inaccurate letter sent to him by the former Assistant Regional General Manager of DAS in Newcastle, a Mr Mick Henrys. I am able to assure the House that there are no plans to close the five DAS businesses currently operating in the Newcastle region.

Only one position has been withdrawn out of a total of 31 in the Newcastle electorate—that of Mr Henrys, who has been transferred to a position in Dasfleet. But, not content with distressing DAS employees and custom-

ers in Newcastle, the honourable member for Newcastle's media release continued:

Representatives of the Minister for Administrative Services . . . have notified staff in Newcastle, Townsville, Darwin, Hobart, Albury and Geelong that funding for these particular offices would cease as of 30 June 1996.

According to the member for Newcastle:

It's a domino effect which is having an extremely negative impact on those relying on or working in regional public facilities.

As far as the other regional offices mentioned in the member for Newcastle's media release are concerned, the situation is this: no representatives acting for me have notified staff in Townsville, Darwin or Hobart that funding for these offices will cease as of 30 June 1996. In Townsville, one vacant regional management position has been withdrawn while changes in Darwin and Hobart involve the merger and downgrading of some budget funded regional management roles and the withdrawal of budget funded marketing positions.

In Albury and Geelong, DAS has withdrawn corporate or budget funding for its two regional service centres. The member for Newcastle may be interested to know that this resulted from a review approved late last year, not by me but by my predecessor, the Hon. Frank Walker QC. I can assure the House that all DAS businesses currently in Albury will maintain a presence in that city, with the exception of AGPS, which will service its customers through an agency agreement. But I can announce today that Dasfleet will be opening an office in Albury from 1 July 1996. Meanwhile, DAS customers in the Geelong region will be supported from Melbourne.

I can assure the House that the minor restructuring of DAS's commercial activities I have outlined in no way represents anti-regional policies or the withdrawal of services from regions. Frankly, the member for Newcastle would serve himself and his constituents better if he checked his information before rushing to the media with these false and alarming assertions.

Research Funding

Mr MARTYN EVANS—My question is addressed to the Minister for Science and Technology. Yesterday the minister placed on

the record, with the support of all members of this House, the thanks of the community for the long-term work of three of our most distinguished scientists, Professor Sir Gustav Nossal, Professor Metcalf and Professor Miller, who are soon to retire from the Walter and Eliza Hall Institute for Medical Research in Melbourne. Has he seen comments by those same scientists in which they warn that the government's plans to cut research funding in the higher education sector would be 'a disastrous mistake' and that scientific research was not a luxury but an investment in our future? Will you stand by your election promise to increase research funding?

Mr McGAURAN—I welcome the question from the honourable member for Bonython. I congratulate him on his maiden question. I was hoping my provocation of yesterday would result in some action, but I never expected a question and an MPI so quickly. Well done for getting that through the tactics committee!

The member for Bonython will have to do better—a lot better—than politicising some eminent scientists legitimately contributing to the public debate. The eminent gentlemen you have mentioned would not thank you for politicising their comments. They have never been party partisan. The government welcomes their views. We have the deepest respect for them and we will take account of all their views on these subject matters as we would other people's views from different sections of the research community.

Before you get too excited, Sir Gus Nossal, whom I described yesterday as a fearless and strong advocate for science and technology, has entered the public debate over the years. The other lesson for an opposition member is: don't ask the obvious. There are quotes from Sir Gus during Labor's period in government in which he advocates rightly and in a very reasoned fashion for the interests of the people he represents.

In 1993 in the *Age*, Sir Gus complained about the then Labor government not funding medical research sufficiently and warned that 'the country's medical and educational infrastructure was rapidly deteriorating'. Labor never did anything to address the problems

Sir Gus raised. In July 1994, Sir Gus said of Senator Peter Cook, the then science minister:

Senator Cook's rhetoric was putting science, technology, innovation and education at the top of the national but the rhetoric was not matched by action.

He went on to say:

At a time when countries that we seem to admire, like Singapore, Hong Kong and Taiwan, are investing massively in science and technology, we are doing nothing for this national treasure.

So don't use Sir Gus Nossal, Professor Metcalf or Professor Miller as somehow advocating your cheap political position. It is quite the contrary. We respect their role in representing the science and technology community.

One other problem, amongst many, that the honourable member has is the \$8 billion deficit hole, which will dampen the hopes and aspirations people have for immediate remedy in a funding sense of the many problems that have been bequeathed to this government and the Australian people. Another problem is Labor's track record in government in science and technology, amongst many other failings.

I will summarise it all, although I could take up a lot of time. Perhaps I will resist the temptation for I can very neatly summarise the state of science and technology under Labor. Just weeks before the election, very shortly before you went to the polls, the Bureau of Industry Economics handed down a report on Australian science. It concluded that there was an alarming decline in Australia's research base. It found that there was a decline in the overall citation rate of Australian scientific publications. Moreover, there was a reduction in the actual numbers of papers being published by individual scientists and engineers. In other words, Labor had lost and destroyed the morale of the science community.

So here we are, 12 weeks after assuming government and 13 years after your party took charge of policy for science and technology, and we are meant to have all the answers. We are working on it. You will be assured on 20 August, budget night, that the measures announced will go to address these problems.

Legislative Program

Miss JACKIE KELLY—My question is addressed to the Leader of the House. Will the minister inform the House of progress in implementing the government's legislative mandate and, in particular, whether there has been obstructionism by the Labor Party and other minor parties who were soundly defeated at the last election?

Mr REITH—I thank the honourable member for her question. My only disappointment about today's question time is that I did not get a question from the other side about industrial relations.

Mr Howard—Very interesting.

Mr REITH—It is a very interesting reflection, Prime Minister, because when we were running tactics on the other side it was a golden rule that, if an issue was really important to you, you always asked a question about it to keep up the pressure. We welcome this as just a small sign of perhaps a later acquiescence on many aspects of the workplace relations bill.

The workplace relations bill is one of many bills introduced in the lower house. Thirty have been introduced and 16 have enjoyed smooth passage through the parliament. Obviously that is one aspect in our management of parliament which gives substance to the lifting generally of standards in the parliament. It is true, as the Deputy Leader of the House says, that whilst we are working hard to lift standards those opposite are doing all they can to lower them.

In terms of question time, I can advise the House that as of the close of business yesterday and on my quick calculation, the average number of questions asked per day is running at about 20, which is fractionally up on what it was at the end of the first fortnight. That includes last Wednesday's question time, which was able to be facilitated—thank you very much—by the Deputy Leader of the Opposition, who was kind enough to provide us with the questions to be asked by the opposition, the names of those who were going to ask them, as well as the subject matter.

I think one aspect of the changed tone in the House is the difficulty some are having coming to grips with the new arrangements. That was particularly obvious last night. One thing we have been keen to ensure is that all members are given the opportunity to speak, as best the House sitting times will allow. For example, last week there was a long list of Labor members who wanted to speak so the House sat late one night to give them the opportunity to do so. We think it is reasonable that people have that opportunity. We do, of course, question a filibustering tactic which seems to have found favour on the other side.

Yesterday there was a long list of Labor speakers on certain matters before the House—social security, qualifications for migrants and the like—so we provided the opportunity again for the parliament to sit on so that Labor members could have their say. What is amazing is that, after all the complaints about the lack of opportunity to speak and the use of the gag on a couple of occasions, when we provided them with the opportunity last night to have their speakers up—the only people who were on the list last night were Labor members—they first of all objected to the extension of time and then we had a series of Labor speakers interspersed with quorums, which they called on their own speakers.

To cap it off, we had four motions of adjournment from those who wanted the opportunity to speak. They themselves moved an adjournment motion on four separate occasions. Then, just to absolutely cap it off, there they were through the night moving adjournment motions. They had their opportunity to speak and then at quarter to eleven or eleven o'clock, after they had been complaining about late nights, when we then moved the adjournment motion what did they do? They voted against it! So they were for it, they were against it and they were for it. They basically had absolutely no idea.

There are some who think a deliberate tactic of obstruction is worthy of standards in the House and they look to provoke a response. We think parliamentary standards are important and we intend to maintain them. The contrast I would make with that is the

slow passage of bills through the Senate. I think it is of interest that, in contrast with the reasonable passage of legislation before the lower house, there have been 15 divisions so far in the Senate. The parties which won the confidence of the Australian people on 2 March have been defeated on 14 occasions. The only time such a motion has been successful was on an amendment moved by the Democrats which we supported for the sense of getting the joint parliamentary committees established. It is a very good effort in respect of question time and we continue to work to improve parliamentary standards.

Mr Howard—Mr Speaker, I ask that further questions be placed on the *Notice Paper*.

PERSONAL EXPLANATIONS

Mr FORREST (Mallee) (3.17 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Has the member been misrepresented?

Mr FORREST—Indeed I have.

Mr SPEAKER—Proceed.

Mr FORREST—In yesterday's *Sydney Morning Herald*, 29 May, an article appeared on the front page addressing the issue of gun regulation. My name is attributed to comments in that paper and I find that particularly curious given that I have never spoken to any journalist from the *Sydney Morning Herald*. But I will let that pass.

Mr SPEAKER—Move quickly to the point of misrepresentation.

Mr FORREST—In today's *Sydney Morning Herald*, on page 6, reference is again made to my name—Mr Forrest, the member for Mallee, a Victorian National Party backbencher—in respect of the issue of crimping of magazines on guns. I have never denied the work I have done in promoting a sensible response to those very credible Australian citizens who, if they are able to demonstrate in a certifiable way that they can render their gun from a category C to an A or B, should be given that opportunity. I have actively promoted that commonsense approach to gun regulation. I do not appreciate any member of

this House making comments to journalists and attributing them to me.

Mr SPEAKER—We are not going to debate the issue. Resume your seat.

Mr DOWNER (Mayo—Minister for Foreign Affairs) (3.19 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the member claim to have been misrepresented?

Mr DOWNER—Yes, I do.

Mr SPEAKER—Proceed.

Mr DOWNER—During question time, the member for Werriwa (Mr Latham), who claims to have established new standards of parliamentary propriety—proving the point, I suppose, that it is dangerous to be too pious just in case your piety turns out to be hypocrisy—

Mr Beazley—Mr Speaker, on a point of order—

Mr DOWNER—Surely not.

Mr SPEAKER—The minister will resume his seat.

Mr Beazley—A personal explanation is made without preamble. It is a very limited capacity in this House.

Mr DOWNER—Like your questions—

Mr Beazley—It is a different thing, in case you haven't worked it out yet.

Mr SPEAKER—Order!

Mr DOWNER—The standing orders do not apply to you and they never did, did they? They only apply to the coalition. It is typical of you.

Mr SPEAKER—The Minister for Foreign Affairs will move to his point.

Mr DOWNER—The member for Werriwa called across the House, pointing to me and reinforcing it on two occasions, 'Your mob signed up for the fascists.' Not only is that a contemptible slur which brings parliamentary standards to a new low, but it is totally and utterly untrue.

Mr CREAN (Hotham) (3.21 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Do you claim to have been misrepresented?

Mr Downer and Mr Latham interjecting—

Mr CREAN—I do, Mr Speaker.

Mr SPEAKER—Order! The member for Werriwa and the Minister for Foreign Affairs will resume their seats. Another member has the call.

Mr CREAN—Today, in response to a question, the Minister for Schools, Vocational Education and Training made reference to a rate that I had agreed to when I was negotiating the training wage. He referred to the \$128 rate. I say for the record—I have been misrepresented—that the \$128 rate he refers to is the year 10 rate with a 50 per cent training component. Under their legislation, that same rate would be reduced to \$97.30—a big difference from \$128.

Mr SPEAKER—Order! We are not going to debate the issue. Resume your seat. You have made your point.

Mr LATHAM (Werriwa) (3.22 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the member claim to have been misrepresented?

Mr LATHAM—Yes, I do, in the context of remarks by the member for Mayo (Mr Downer).

Mr SPEAKER—Move quickly to the point without debate.

Mr LATHAM—This is the member for Mayo who calls the opposition evil hypocrites and evil people across the table throughout the course of question time.

Honourable members interjecting—

Mr SPEAKER—Order!

Mr LATHAM—Mr Speaker, I wish to explain the context of the remarks, because—

Mr SPEAKER—We will not debate the issue. You have covered the area of misrepresentation.

Mr LATHAM—No, I am not debating the issue. But I have the right to give the House the context of the remarks, because he has misrepresented me—

Mr SPEAKER—No, you haven't. There are other forums.

Mr Downer—Evil is his name.

Mr LATHAM—Did you hear that, Mr Speaker?

Mr SPEAKER—There are other forums in which this issue can be debated.

Mr LATHAM—Well, can I proceed with my personal explanation?

Mr SPEAKER—You have made your point.

Mr LATHAM—Mr Speaker, can I proceed with my personal explanation?

Mr SPEAKER—Resume your seat.

Mr Reith—Mr Speaker, I raise a point of order. My point of order is that the member has made offensive remarks and he should be required to withdraw without qualification.

Mr HOWARD (Bennelong—Prime Minister) (3.24 p.m.)—On indulgence, Mr Speaker: earlier in question time the Leader of the Opposition (Mr Beazley) successfully asked for a remark made by the Treasurer (Mr Costello) to be withdrawn because he found it personally offensive. The remark claimed to have been made by the member for Werriwa (Mr Latham) duplicates a remark made by the former Prime Minister—which was equally despicable—of the member for Mayo (Mr Downer), the then shadow minister for foreign affairs. I say to you, Mr Speaker, that if it is good enough for a remark that the Treasurer made—and which the Leader of the Opposition found to be offensive—to be withdrawn, I think anybody, not least the member for Mayo, who is the Minister for Foreign Affairs, would find the remark 'Your mob signed up with the fascists' deeply and irretrievably offensive. If you made that remark and if the bloke next to you—

Mr Tanner—I did.

Mr Howard—And you're boasting about it. You did make the remark. You withdraw it.

Mr Tanner—Sit down.

Mr SPEAKER—Order! The member for Melbourne will resume his seat.

Mr HOWARD—Mr Speaker, I think a remark made of anybody on this side of the House—indeed, of anybody on that side of the House—suggesting that they signed up with the fascists is deeply offensive, and I ask that you require both of them to withdraw those offensive remarks.

Mr BEAZLEY (Brand—Leader of the Opposition) (3.26 p.m.)—On indulgence, Mr Speaker: I do not know what the context was of the question of signing up with the fascists. But, since I am here on indulgence, I will make my points. If those happened to have been the remarks that were made, it would not be a bad idea to know their context. If offence was found, they ought to be withdrawn. But obviously they were made in response to a suggestion that the particular member was evil and evilly hypocritical. Those are expressions that have been consistently asked for withdrawal in this place. I would have thought that, if he wanted to get up and make an exchange like that, he ought to have been prepared to withdraw his own remarks.

Mr Latham—Can I seek some indulgence on this matter, Mr Speaker?

Mr SPEAKER—No. Do you have a point of order?

Mr Latham—No—

Honourable members interjecting—

Mr SPEAKER—Order! The remarks have been found to have been offensive. If you made them, we expect you to withdraw them.

Mr Latham—I did not make them in the context that he—

Mr SPEAKER—Did you make them?

Honourable members interjecting—

Mr SPEAKER—Order! The member for Werriwa is being called upon to withdraw offensive remarks. If you made them, I expect you to withdraw them. Did you make them?

Mr Latham—Can I explain them?

Mr SPEAKER—No explanation is required. The remarks are offensive. They have offended. Withdraw them.

Mr Latham—Let me explain to the House—

Honourable members interjecting—

Mr SPEAKER—Order!

Mr Latham—If the remark—

Government members interjecting—

Mr SPEAKER—Order! Those on my right.

Mr Latham—I withdraw my comment that Tories signed up for a bit of fascism in the 1930s. I withdraw.

Mr SPEAKER—Order! The member for Melbourne.

Mr Latham—I also ask the member for Mayo to withdraw his repeated comments, directed to the opposition front bench, that we are evil hypocrites, evil people and evil ones. You should withdraw that, because that is more offensive than anything we had to say.

Mr SPEAKER—Order! Resume your seat.

Mr Latham—Calling us evil!

Mr SPEAKER—Resume your seat.

Mr Latham—Is that an acceptable standard?

Mr SPEAKER—The member for Werriwa will resume his seat.

Mr Adams—You're a sook.

Mr SPEAKER—I find that remark almost offensive, so take it easy. The member for Melbourne.

Mr Tanner—Mr Speaker, the statement that I made across the chamber was, 'Your mob in the 1930s were supportive of Mussolini and co.' I am quite happy to debate that and support that, but if any honourable member now—none of whom were here in the 1930s—finds that offensive, I will withdraw it.

Mr SPEAKER—The members here present found the remark offensive. I thank the member for Melbourne. The issue is now closed.

Opposition members interjecting—

Mr SPEAKER—Order! The Leader of the Opposition on indulgence.

Mr BEAZLEY (Brand—Leader of the Opposition) (3.28 p.m.)—We insist on the withdrawal of those remarks by the member for Mayo (Mr Downer). He made them and we insist on their withdrawal.

Mr SPEAKER—Order! The Leader of the Opposition will resume his seat. The Minister for Foreign Affairs has made some remarks which the opposition find personally offensive. I invite the Minister for Foreign Affairs to reflect on the words used and make the appropriate withdrawal.

Mr Downer—I withdraw.

Mr SPEAKER—The offensive words have been withdrawn.

QUESTIONS TO MR SPEAKER

Answering of Questions

Mr ALLAN MORRIS—Mr Speaker, I address a question to you. The arrogant remarks by the Prime Minister earlier today that he will answer the question when it suits him would seem to me to be a breach of responsibility to the House. Would you please respond as to when ministers are required to answer questions or not?

Mr SPEAKER—It was made in the context of a debate, and I am sure the Prime Minister will always address questions as and when they are asked.

PERSONAL EXPLANATIONS

Mr ALLAN MORRIS (Newcastle) (3.30 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Do you claim to have been misrepresented?

Mr ALLAN MORRIS—Yes, Mr Speaker.

Mr SPEAKER—Please proceed.

Mr ALLAN MORRIS—Earlier this afternoon the Minister for Administrative Services (Mr Jull) quoted from a press release of mine regarding the closure of an office in Newcastle. I would like to read to the House the statement from DAS—which was sourced—which went to a number of heads of departments in the Newcastle region. It is headed 'DAS Office Newcastle', and says:

Following formal notification from Mr Adams on 23 May, I have to inform you that funding for this office ceases on 30 June this year. As a result of this, the role of the Assistant Regional General Manager also ceases.

The statement goes on at some length. It points out that the service will not be avail-

able and thanks departmental heads for their support in the previous three years. I seek leave to table the document.

Leave granted.

QUESTIONS TO MR SPEAKER

Withdrawal of Offensive Remarks

Mr LEO McLEAY—Mr Speaker, I have a question for you. Last evening, Deputy Speaker Reid refused a withdrawal to the member for Batman when he requested that something he found offensive be withdrawn. The offensive remarks were made about 20 seconds before. Deputy Speaker Reid said, 'You have to ask for a withdrawal straight-away'—which, I think we all understand, is the way this place works. How, then, can we have dealt with the confected anger of the honourable member for Mayo, who did not ask for a withdrawal when the offensive remarks were made about him? He waited for half an hour—until the end of question time—to work up a bit of confected anger. Mr Speaker, you might wish to reflect—or you could give the House a ruling now—on how long it takes for the caravan to pass on.

Mr SPEAKER—I thank the member for Watson. I will reflect upon his suggestion and report further to the House later.

Interruption of Speeches

Mr PETER MORRIS—Mr Speaker, while you are reflecting on that matter, would you be so kind as to give consideration to the practice of some Deputy Speakers on the government side when they are in the chair—and I am looking directly at the member for Cowper. I have observed that they have the practice from time to time of intervening when a member's speech is in full flight. They make the comment, 'Would audible conversation in the chamber please cease?' On such occasions there may be three or four people in the chamber. It is an inconvenience to the member speaking, and I say this in respect of all members. I seek your assistance.

Mr SPEAKER—I thank the member for Shortland. I will review some of the tapes and make announcements as and when they are appropriate.

PAPERS

Mr REITH (Flinders—Leader of the House)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the *Votes and Proceedings* and *Hansard*.

The schedule read as follows—

Foreign Affairs, Defence and Trade—Joint Standing Committee—Officer education: The military after next—Report, incorporating a dissenting report, October 1995—Government response.

Law Reform Commission Act—Law Reform Commission—Report—No. 78—Beyond the door-keeper: Standing to sue for public remedies.

OFFICER EDUCATION IN THE MILITARY

Motion (by **Mr Reith**) proposed:

That the House take note of the following paper:

Foreign Affairs, Defence and Trade—Joint Standing Committee—Officer education: The military after next—Report, incorporating a dissenting report, October 1995—Government response.

Mr PRICE (Chifley) (3.33 p.m.)—I rise to speak on the motion that we take note of the government response to the report of the Joint Parliamentary Committee on Foreign Affairs, Defence and Trade. Obviously one would have appreciated a greater deal of time to look at the response made to the report, but I have to say that, given the large number of rejections to the recommendations of the report, I find the response disappointing. One of the key recommendations was that undergraduate courses at the ADFA college in Canberra should be abolished. Honourable members would be aware that Defence spends something like \$100 million on educating its officers at ADFA, and the cost per graduate is \$308,712.

I can understand why there might not be a warm embrace for closing down these courses and replacing them with an undergraduate scheme, but I do think it is a great irony that, at a time when there is a national strike occurring in 37 universities around Australia—a strike involving academics and students unified in a way that we have never seen before—this gold-plated institution is going to continue. These are the most expensive undergraduates in the country. There is not

going to be a loss of one staff position out of the 290, and there will be no increase in HECS fees for this group of students—and there are less than 1,000 of them, I might say. The government is proposing that every other university or campus will cut back and that the HECS will increase. I think that this is most regrettable.

The report argues not only on defence grounds why the undergraduate scheme at ADFA should be abolished but also on the basis of cost. I note in the response that there is going to be a further review of some of the recommendations—although they are rejected in this government response—and we will see that in 1996. The thing I find disappointing is that I thought there was a degree of acceptance that we should at least look at the feasibility of a tri-service pre-commissioning college instead of there being single service colleges. I thought it was without argument that we should just have one command and staff college.

It is regrettable that moves recommended by members of both sides of the House—admittedly with varying degrees of commitment—have been rejected out of hand in this government response. As I said at the time of tabling the report, it was not the committee that would be judged; it would in fact be Defence's response to the committee recommendations. I believe that, even though the responses at this time are overwhelmingly negative, we will see these recommendations implemented over a period of time. I seek leave to continue my remarks at a later stage.

Leave granted; debate adjourned.

MATTERS OF PUBLIC IMPORTANCE

Scientific Research and Human Resource Development

Mr DEPUTY SPEAKER (Mr Nehl)—Mr Speaker has received a letter from the honourable member for Bonython (Mr Martyn Evans) proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of the government to support scientific research and human resource development.

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

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

Mr MARTYN EVANS (Bonython) (3.37 p.m.)—Let us make no mistake about this: despite the comments of the Minister for Science and Technology (Mr McGauran) in question time, science and fundamental scientific research in this country are under attack. There is no question about that. What we heard today was a very interesting lesson in some occasional history notes, but very little about what the government proposes to do in this regard. That is why the issue of scientific research and its undertaking in this country are in doubt and under attack.

The government's comments to date in relation to the budget deficit have been quite mindless and, since yesterday, entirely misguided. We have seen an ideologically driven obsession for short-term budget gains, which is putting at risk the decade of advances and consolidation in science, technology, engineering and applied research in this country.

Let us examine the previous government's record in this area because it is something that the minister obviously wants to do and I believe it is essential that we set out some of the facts on this. The previous government spent \$3.6 billion on science, technology and innovation. That put us on a higher per capita GDP basis than Japan, the United States and Germany. In fact, we are the fourth highest spending industrialised country. During the period 1984-85 to date, the CSIRO enjoyed a 60 per cent increase in spending on basic and strategic research. The CSIRO itself—that fundamental arm of scientific research in this country—enjoyed a 23 per cent real increase in its research budget over that same period.

There was \$1.5 billion provided by the last Labor government's budget for university research and \$109 million for university research infrastructure. Australian Research Council spending over recent years has trebled and is now at a record \$358 million. The previous government had a massive commitment to the Cooperative Research

Centre's project, which brings together the best of the public and private sectors to apply scientific skills to individual and particular areas of concern. The private sector had a major role to play not only in the CRC project but also in its own investment in growth in research and development. The private sector here has enjoyed one of the highest rates of growth of foreign market patent applications among OECD countries. R&D investment, although coming off a low base, had experienced dramatic growth due to the 150 per cent tax concession scheme, which was part of this government's undertakings.

High-tech products in our exports were growing at 26 per cent per year and have done so since 1986, which gives us higher growth rates in that area than even the newly industrialised countries of Asia. Science, research, university research, higher education expenditure and associated infrastructure were left by the Labor government in very good shape with sound policies of growth and a future of certainty and stability. This is something which this minister and this government have failed to provide. Their failure in this regard is starkly underlined, even as late as today in question time, where not only the Minister for Science and Technology prevaricated and failed to reiterate and reconfirm his promises in this area before the House—an area in which it matters the most—but also the Prime Minister (Mr Howard) failed to confirm that he would honour his undertakings in areas of higher education research and higher education spending generally.

The failure of this government to honour those commitments would bring science in this country to its knees. Although science is based very well at the moment—we have a very sound foundation on which this government has taken over the management of science in this country—the government is now placing that very much at risk. Its failure to ensure that science is properly funded, its failure to endorse its research packages, its failure to endorse higher education research and infrastructure expenditure, those very sound and firm commitments which they

made prior to the election and which they undertook not to break—notwithstanding any changes in circumstance which might occur after the election—are something which no longer have any credibility in this parliament and which, judging by the public reaction in the newspapers and in rallies and universities around this country, no longer have any credibility in the community either.

The government promised the higher education sector that they would maintain the level of funding for operating grants to universities and, indeed, put \$129 million more into research infrastructure. They said that post-graduate scholarships and special research grants would also be funded from this package over the next three years. Those packages are vital to the confidence of young people who are considering a career in science. It is essential that our young people have confidence in the activities of the government and are certain that their research activities will be backed in the future when they ultimately graduate from the schools, universities and postgraduate studies in this country.

Research in science, technology and engineering is also critical for underpinning our place in the world as a developed nation. Australia has a very creditable record in areas of innovation, science and engineering. We have a world famous standing in this area. Our total research commitment is now something in the order of \$7 billion. The last decade has underpinned our credibility as an innovative nation. It is that credibility throughout the world as an innovative nation that is put at risk by this government's failure to support science, technology and university research infrastructure.

The government is already talking about cuts to CSIRO, an organisation they promised to support with an additional \$20 million increase, but in which they are now canvassing efficiency cuts of 3.5 per cent across the board. Even the National Farmers Federation, in their recent conference and discussion of this matter, stated their concern at the way in which the government proposed to handle this topic. Indeed, they were aghast at some of the ways the government intended to go about reducing public expenditure. While I concede

to the minister the point that the NFF basically supported the political premise of the minister that expenditure needs to be cut, they registered their horror at the way in which the government proposed to take that funding from CSIRO, from rural research and development industries and from a range of inputs which the National Farmers Federation regard as essential in this country and which we also regard as essential for underpinning not only agriculture but mining and industrial development as well.

The impact on CSIRO of reducing its expenditure, not just in administrative areas but in applying efficiency gains across the whole of the research infrastructure of that organisation, would be to dramatically slow down the work of that department of CSIRO. Those scientists who are at the forefront of research and scientific undertaking in the world would find their funds cut. While programs may not be eliminated, they would be dramatically slowed as a result. This is something that the director admitted the other night on national television. The reality is that that would make our research effort far less competitive in the world than it is now. The harsh reality of those funding cuts is that the CSIRO will no longer be able to hold its head up in international science in the way that it has done in the past because its research activities will have been dramatically undercut.

Funding for the space program, for example, ends this year. Where is the government to take us on that? Again, there is no commitment from the government and there are no innovative or new ideas about how those funds might be applied in the future. Indeed, if we listen to the advice from Treasury and Finance—it seems that they are the departments which take the ascendancy in this ideologically-driven obsession about budget deficits—we find that they have strongly recommended against funding the space effort, particularly at Woomera in my state, which I know is close to the heart of our conservative premier. This recommendation is something about which I think he is going to be disappointed. This government is far more obsessed with the budget deficit than it

is concerned about launching Australia onto a new drive into space-related activities—remote sensing, communications and all of the other benefits which we might expect to draw from that activity.

ANSTO, the Institute of Marine Science and the CRC program's fifth round are all in doubt. All of them are subject to cuts in this climate. The government has decided to move ASTEC from the Department of Prime Minister to DIST. The Office of the Chief Scientist is still left vacant. The incumbent is there, but apparently without salary; it is just on the basis of expenses. His office is to be downgraded in that context. We do not even have a new appointment for it yet. What commitment does that represent?

There was a commitment of \$130 million for the Australian Research Council. That was claimed by the minister when he was in opposition—or at least by his party spokesman at the time, Senator Hill—to be in addition to the \$144 million which was already in the forward estimates for research infrastructure postgraduate awards. Is that commitment to be honoured or not? I think the public are entitled to know. The universities are entitled to know. We require certainty in those levels of funding.

Industry is certainly entitled to know where the research and development tax concession is going. Sir Gustav Nossal said that government policies in the last decade have made a real difference in that area. He made that statement some time ago, and it related to the research and development tax concession and the way in which that had boosted the undertaking of private sector research and development and industry in this country. If that research and development grant goes, then industry will know the difference.

Our very significant place in the world community in regard to private sector industrial research would rapidly go down the drain if that 150 per cent concession were withdrawn or reduced. Again, it would be for short-term gain but a long-term loss for this country.

University funding is also under threat from our Minister for Employment, Education, Training and Youth Affairs—Minister 'let us

start at 12½ per cent and go from there' Vanstone. The harsh reality is that, if the minister succeeds in implementing those kinds of cuts to the university sector of Australia, students might as well pack up their books and go back home. Our universities will find their research position undermined and their teaching position undermined. Even if the government were to honour its commitment in the area of additional grants, the grants would be almost useless to the universities because their basic teaching infrastructure would be so undermined.

Of course, the universities also receive significant grants from other sources. They not only obtain direct grants from the government but also obtain funding from rural and industry research and development boards, from government contracts and from the innovation statement and similar processes. All of those areas are being cut by government and are under a shadow from the government's budget processes. They will also starve universities of funds. The CRC program has strong links to our universities. If that is under threat, then so is the basic infrastructure of universities.

Typical of this government's attitude to basic science—something which the minister said that he was concerned about and committed to—is its attitude to the large telescope, the European Southern Observatory. That is about pure undertakings in the science area—the origins of the universe itself, the very fundamental questions in science. That project was the first to go. It probably represented the first broken promise in the science area. I regret to say that I am suspicious that it will not be the last. That, again, was done for short-term economic gain.

Put aside the major science that would have been involved in that and look at the damage to Australia's reputation in astronomy throughout the world—something for which it enjoys a very substantial reputation. Not only that, the economic loss from the cancellation of that project is substantial. It denies Australian industry the opportunity to showcase its products before the world. It denies them the innovation in engineering which would have flowed from those very significant and fine

scientific works that would have been done as part of that telescope project. It is most important to remember that when we are looking at those kinds of basic research and fundamental science projects.

The funny thing about basic research is that the best discoveries are often the most unexpected. We never know where the next major discovery will come from in basic science. That is why it is such a difficult area to cut from.

Mr McGauran interjecting—

Mr MARTYN EVANS—Science is a very important part of our undertaking, and I am very surprised to see the minister react like that. The reality is that those cuts will have an important impact on the way in which science is undertaken here, and they will undermine confidence in the very industry itself.

We have also heard about the dramatic cuts which are proposed for information technology and about the \$1 billion in capital grants to be paid over three years. That, combined with the impact of the one-third sale of Telstra—if the government succeeds in getting it through the Senate—on the electronics industry in this country will also be very substantial. Telstra formed the basis for leading this country into an electronics explosion in terms of our exports into Asia. That is why we had the dramatic improvements in technology products exported. That is why we had the dramatic growth in elaborately transformed manufactures. The sale of Telstra, if it proceeds, also will undermine research and development activity in this country.

Science and higher education research sectors need certainty. They need the long-term strategic approach which you promised them when you launched the ASTEC report last week. Unfortunately, your government is not delivering on that. The unprecedented unity between academic students, the NFF, the Academy of Science and others on this issue of university funding and research infrastructure shows just how far down this government has come in a few short months in its undertakings to science and research.

I regret that your enthusiasm to launch reports and associate yourself with the work

of others is greater than your capacity to deliver a strong and sustainable future for Australian science. That is what science in this country needs: a long-term and clear path. Science may not have always agreed with what the previous government did, but at least they knew what the policy was. From today they do not even know that. They do not know where their funding is coming from. They do not know with any certainty where it will be this time next year. That, more than anything, will undermine science in this country. If you implement the kinds of cuts which you are foreshadowing, that will leave us with no science in this country. (*Time expired*)

Mr McGAURAN (Gippsland—Minister for Science and Technology) (3.52 p.m.)—The contribution to the debate made by the shadow minister, the member for Bonython (Mr Martyn Evans), saddens me. I have to confess that I expected a great deal more of him—not of his colleagues who have been around this place a long time but of him personally.

The worst feature of his contribution was his gross underestimation of today's scientists, technologists and engineers. To portray them as government welfare dependent, individuals and groups waiting for handouts, is to grossly underestimate their single-minded determination to win economic benefits, to continue basic research and to add to the prosperity of the nation. The idea that scientists are out there just waiting for government largess is hopelessly out of date.

I know this government has done a lot in 12 weeks but it has not been able to cure all the problems of the world. The fact is that Labor's legacy to us in the field of science and technology, as across all government administration—and I ask the honourable member to be a little bit patient—will take some time. He did accuse me at the outset of his contribution of drawing on occasional history in question time. So let us look at the opposition's record of recent times.

The innovation statement of December 1995, only a few short months ago, was to be Labor's commitment to revitalising science and technology, creating a new culture of innovation. Sure, it came 12½ years after they

were first elected to government but we have to be grateful for small mercies with Labor governments—better late than never. That was a package full of rhetoric but no substance. Please, do not take my word for this. Let us examine, in a very cursory fashion, the commentary that resulted from that innovation statement.

Remember, the former government had tied itself up in knots across all government departments for several months, arguably years, to finally produce the cohesive, one-stop shop for innovative science and technology in this country. It had been deferred from a cabinet consideration for several months because Senator Cook was unable to win the informal support of his cabinet colleagues. So when it finally went to cabinet in late 1995 it was a grab bag of different ideas, of raised expectations and of unfounded commitments.

The response of Julian Cribb, one of the most senior and authoritative writers on science and technology, in the *Australian* on 7 December 1995 was that the statement 'contained a generous dose of . . . naive optimism'. He also wrote:

So for all its dazzling array of small initiatives, the central policy thrust of yesterday's long-awaited statement seems to consist of the vague hope that the innovation lightbulb will somehow reignite, or else change, itself.

Ian Davis of the *Canberra Times* gave a very succinct summary: 'It is a grab-bag of leftovers'. Tom Burton of the *Financial Review* said on 7 December:

The statement bore all the marks of the confused and often chaotic process which accompanied its gestation.

Michelle Grattan of the *Age* also said on 7 December:

The really innovative feature of the innovations statement is that it manages to save a lot of money. The *Age* editorial opinion of the same day stated:

The Federal Government's much-heralded innovation statement has turned out to be rather less innovatory than we had been led to expect. In both content and cost.

For the opposition to now put down soon after a change of government an MPI condemning the government for its failure to

support scientific research and human resource development is very bold; perhaps it is even innovative in the spirit of the debate. It is plain stupid and lacks any credibility whatsoever.

Mr Crean—No! That's you!

Mr McGAURAN—The member for Hotham interjects. He was the minister for science between 1990 and 1992. I have said in this place before that of Labor's recent list of science ministers he was the best, but that is by no means conferring on him a degree of competence acceptable to the science community. What about his successors? One of them has departed this place so I must not speak ill, particularly as we were so fond of him as an individual.

Ross Free's tenure as science minister was not exactly associated with policy breakthroughs or with great activity. Then followed Senator Chris Schacht, and the shadow minister must have in his short time in the portfolio picked up here and there the occasional commentary on Senator Schacht's term in office. I have been deluged with comments about his destructive cutting of a swathe right through the science and technology community. It was a period for which the Labor Party should be eternally ashamed.

Unfortunately, Senator Peter Cook, who followed him, had little interest in science so science policy continued to drift. But it was all to be rescued by the innovation statement in which the member for Hotham invested a significant amount of his credibility, his knowledge and his department's priorities. So he is as tarred with the failure of the innovation policy as is the new shadow minister.

I turn now to a couple of the specific criticisms that the shadow minister had of the government, leaving aside the generalised whinge which, as I say, is not representative of the scientific community. The scientific community wants to engage in a meaningful and sensible policy debate with the government knowing that all areas of government administration have to be re-examined in the light of Labor's legacy of an \$8 billion deficit.

The first one he mentioned was the European Southern Observatory. This is something I inherited. It has been going on for quite a while. It was one of the first things the department came to me about saying that a decision had to be made. A decision had to be made because my predecessor, Senator Peter Cook, had encouraged the scientific community, specifically astronomers, to believe that funding in the order of some \$35 million over five years would eventually be found to fund our entry into the European Southern Observatory consortium. Nothing could have been further from the truth. This government quickly made a decision so as to save the community of astronomers and the nation as a whole further embarrassment of continued negotiations because the negotiations had reached as far as they could without a commitment.

The Labor government never intended to fund the ESO. You had your chance to fund them and you totally ignored those opportunities. Under the major national research facilities program, the funding of which was announced on 6 December in the innovation statement last year, seven facilities were funded. Bear in mind that the European Southern Observatory was bidding to be part of that list. The astronomers were led to believe, with a wink and a nod from Senator Cook, that they would be included in the list.

Seven projects were funded, ranging from a \$5 million project to a \$12 million project, but not the European Southern Observatory. Senator Cook was never going to fund it. We acknowledge that a proposal to become a member of the ESO is well formulated and has the support of the astronomy community. But, in view of the budget deficit, the astronomers have been advised that the funds are not available and the government could not agree with a proposal to continue negotiations.

In arriving at this decision, we were very conscious of the fact that Australian astronomers have achieved a very worthwhile international reputation for excellence in radio and optical astronomy. Part of that is built on the already existing investment that the government makes for astronomy—some \$30 million

annually. Bear in mind that \$11 million has recently been spent to upgrade the Australia Telescope. The shadow minister also raised the 150 per cent R&D tax concession.

Mr Crean—What are you going to do with it?

Mr McGAURAN—We are going to fix it up for a start. It is a complete and utter mess. We have inherited an unbelievably complex system in which applications have backed up. Do you know why? Because the innovation statement attempted to legislate for the R&D concession by press release. And now we have to attend to all of the machinery by way of legislation that is required. So we will introduce legislation into parliament to deal with the mess that we have got. We will continue the support for research and development. The former government had completely lost control of the program. We want to make sure that taxpayers get full value for their funding.

I have touched on recent history, but the Labor Party is not going to get away with it so easily. You have to examine their 13 years in office to see how science, engineering and technology were decimated over that period.

Mr Martyn Evans—You're in government now, not opposition.

Mr McGAURAN—Oh, we're in government now. I see. That is the concession he makes: 'Yes, we did decimate science and technology and, secondly, we have left it to you to fix up.' It is not so easy. I certainly intend to remind you of your track record. I will outline the dimensions of the problems we have in order to ensure that science, engineering and technology reach their full potential. You did nothing to improve the lot of the next generation of scientists, nothing to improve science education in schools or the training of science teachers, and nothing to improve the poor career paths that scientists have when they graduate from university. That is evidenced by the fact that Australia's proportion of PhD graduates in science and engineering, whilst Labor was in office, fell well below other developed countries such as the UK, USA and Germany.

Another area that Labor could not cope with was how to encourage the private sector to invest in R&D. Under Labor, the level of industrial R&D in Australia was about half the OECD average. You spoke earlier about how we are fourth on the OECD list with public sector investment in R&D as a proportion of GDP. We ranked down about 19 in that list in the private sector. So there is a great deal to be done, and you never came to grips with it. I am advised that we have now been outstripped by South Korea, Singapore and Taiwan.

In 1992, only five per cent of Australian graduates received degrees in engineering compared with the OECD average of 13 per cent. The honourable member for Mallee (Mr Forrest), who is an engineer by training and profession, would appreciate this more than anybody else. That is well below South Korea, Taiwan and Singapore. The Labor Party used to speak a lot about the clever country but, like so much of Bob Hawke and Paul Keating's rhetoric, it was overblown and unfulfilled. Simply, the Labor Party failed to deliver.

Mr Crean—Sounds like you. It's a good self-description!

Mr McGAURAN—The member for Hotham continues to interject. The point is that he was a dismal failure as Minister for Science and Technology. In truth, he could not wait to get out of the portfolio. That is the tragedy of science and technology administration under the Labor Party, apart from the relatively distinguished period in office of the member for Lalor (Mr Barry Jones). All the member for Hotham wanted to do was to get out of that portfolio. He ended up in primary industries and, again, he could not wait to get out of that portfolio. He was not ever happy until he ended up in employment, education and training—and, boy, what did he do with that portfolio! He found his natural home, but, again, he was a dismal failure in that as he was in the two previous portfolios.

The Minister for Schools, Vocational Education and Training (Dr Kemp) has told us day after day of the member for Hotham's administration of employment, education and training. After all, he is the man who spent \$2

billion—the funding for labour market programs for the unemployed before the last federal election. The entire funding was allocated in the first nine months of the 12-month financial year. Why? Because you wanted to get people artificially off the unemployment list and, therefore, win a political advantage. How callous are you that you would play with the lives of unemployed people just to win votes? It did you no good. People saw through the charade, and now we have the figures.

On 20 August—budget night—we will keep faith with our commitments. The scientific community will see that the rebuilding of our research effort has begun and will continue through the life of a coalition government. We give science and technology the priority it needs. In it is invested our hopes, aspirations and even the expectations of the community. We will not ignore it and we will not sideline it as the Labor Party has done. We will need to do a great deal of work to now recover from the awful legacy that they have bequeathed to us.

Mr CREAN (Hotham) (4.07 p.m.)—Mr Deputy Speaker, talk about seeing through a charade! We have it in front of us. All the Minister for Science and Technology (Mr McGauran) has done since he has been in office is launch a report and laud the contribution of three eminent scientists. When it comes to the test of delivering on a promise he is struck dumb—silent—incapable of delivering any weight to the cabinet process. Yet he has the gall to come in here—when he is under scrutiny about where the government's policies on science, education and training are—and all he does is talk about Labor!

We are here today to talk about the demonstration outside this parliament. We are here today to talk about the fact that every university in this country is closed. We are here today to talk about the fact that the honeymoon period for this government is over. It is over because the university sector, like so many groups in this community, realise that they have been cheated by you during the election campaign.

They have been cheated because you promised them what you will now not deliver.

You promised them all sorts of things. Groups, like the universities, are starting to realise that there is no intention of honouring this promise so they have decided to take the action. We support them in that regard because we also believe that you should be held accountable. It is shameful that although we have this demonstration outside the parliament today the Minister for Science and Technology does not even mention it. He wishes that it would go away, just as he wishes we would go away. Unfortunately, the Australian people saw that we did, but it will not be for too long—not with the sorts of performances that you are involved in.

Let me go through the promises that were made, and let's not get into this notion that we have to wait for the budget to see whether those commitments can be kept. Already we have seen the quarantining of the defence department from any cuts. Already we have seen the commitment to the farmers, because they kicked up a noise, to have the diesel fuel rebate quarantined. Already we have seen big business supported with the tariff concession order switched and a tax put onto consumers—a tax described by the Minister for Industry, Science and Tourism (Mr Moore) as a dreadful tax on business, yet he is prepared to transfer it to what—a good tax on consumers?

That is the sort of thing that this government is on about. It is not as though they cannot make a commitment to the university sector because they have already made one to others; they will not make a commitment because they have no intention of honouring their election promises. They want to hide behind the notion that they have to scrap those promises because of the so-called \$8 billion black hole. We saw the Prime Minister (Mr Howard) today struggling to defend the black hole, the thing that the coalition holds so dearly to their heart as the justification for the broken promises.

The national newspapers have carried headlines saying that there is no longer a black hole. So where is the excuse? The Prime Minister said that he wanted to be known for his honesty and integrity. He is the person who was going to raise the standards

of the parliament and the government. He is the person who said he would rather make half the promises and deliver on all of them than make all the promises and deliver on half of them. He went on the John Laws program and said that he was desperate to be considered an honest man. He went on that program to say, 'Even at the expense of the deficit, we will honour all of our promises.'

The coalition went to the election deceiving the Australian people, pretending that they were not about change, they were not about dismantling Labor's programs. But they had every intention in their own minds to do just that. I see the minister walking out of the parliament now.

Mr McGauran—No, I'm not.

Mr CREAN—He has no contribution to make, so he might as well be out of the parliament. Let's look at the performance of the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone) against the background of the government's policy. The government's policy commitment was that all university funds would be maintained, all places would be guaranteed, research and development in universities would be increased, and academic salaries would be fixed. In fact, the first commitment that Amanda Vanstone made as minister was to fix academic salaries. Well, she has really fixed them! She has a strike on her hands that she does not know how to handle. How do we know that? Because of the ridiculous, insensitive speeches she makes around the country, not just threatening to make cuts, but also insulting the community that she claims to represent.

I will give an indication of a speech that she gave as reported in the *Campus Review* under the headline 'A minister's dinner gaffe'. A gaffe it was. She was speaking to an education group about gifted children and this is how she opened:

I've only been a Minister for six weeks. I know nothing about this gifted education area. I'm not a very bright person.

I think she has demonstrated that. She went on in that same speech to say:

Education has had it too good for too long.

This is the minister who not only has a responsibility to defend the election promises but also has a responsibility to defend her portfolio in the cabinet. We know that the Minister for Schools, Vocational Education and Training (Dr Kemp) had no intention of defending it. He could not even get into the cabinet. Little wonder, because he has not indicated anything by way of fact in this parliament since he has held that portfolio, and little by way of contribution before that.

But I return to Minister Vanstone and her statement that education has had it too good for too long. We then had the notorious vice-chancellors' dinner where the size of the cuts to education were revealed. Between five to 12 per cent, is what the minister said. A couple of vice-chancellors there that night were unkind enough to think that when the minister was asked this question she was looking at the alcohol volume on the wine bottle. I think next time they will be offering her low alcohol wine if that is an indication of the seriousness with which she is regarding their circumstances.

What was the other thing they promised to do in R&D? They promised to maintain and increase university research funding. They promised to maintain CSIRO funding and increase infrastructure funds by \$20 million. They promised to maintain support for industrial R&D. Where are they in terms of your recommitment, Minister? You have had the opportunity today to get up and say it, and you have squibbed it.

It is not just the institutions and the national academies, et cetera, that are under threat here; it is the impact this has for regional Australia. I am pleased to see the member for Mallee (Mr Forrest) at the table, because what we have is a situation in which the growth places that we funded under Labor will go to the areas in which people need them. Go to the regions—

Mr Forrest—Tell us about your funding for skillshare.

Mr CREAN—He has asked me about skillshare. I will come to that in a minute, because they have frozen skillshare. The fact of the matter is that regions are going to suffer significantly in this regard. I would like

to refer to the so-called overspending on labour market programs. We have a departmental minute which shows how much money had been spent until March, which is what the minister has referred to in this House. Two-thirds of the way through the year, 66 per cent of the way through the year, do you know how much of the funds had been spent? Seventy-one per cent, you dope. Why don't you go and have a look at the minute? All I am saying is that this is hardly an overspend. In addition to that, the minute also shows that there is flexibility in the existing programs to maintain the very strong growth of labour market programs.

I had the occasion on the night of the NFF dinner to be approached by people from Mildura who said, 'The one thing you have to convince the government to do is to keep the new work opportunity program going.' Yet it is that program which has been frozen—frozen by the decision of the minister. Even though he tries to come into this place and say that it is not frozen, there is clear evidence in all the directions going out to the regions that no more money is to be spent. So it is not just cuts to R&D and universities; it is cuts to labour market programs, and the regions will suffer. (*Time expired*)

Mr NUGENT (Aston) (4.17 p.m.)—I must say that after that somewhat confected indignation from the honourable gentleman for Hotham (Mr Crean), I think we ought to get back to the matter under debate. I remind him of the terms of the matter of public importance:

The failure of the government to support scientific research and human resource development.

I have to say to the honourable member for Hotham that that is a breathtakingly audacious statement to make 12 weeks after we came into government. The hypocrisy of your statement is just absolutely mind-boggling. You were there for 13 years. The state of the nation is as you have bequeathed it. Yet you expect us, within less than three months, to have come along and picked up the pieces.

I have to say to the honourable gentleman for Bonython (Mr Martyn Evans), who proposed this matter of public importance, that I almost feel sorry for you. I know you got up

and asked your first question today, which was obviously a tactical thing to lead into the MPI. It was your first question since you became a shadow minister. You could not manage more than one question, yet you want us suddenly to have fixed the 13 years of neglect that you have left in the science and technology area in this country. What are you trying to do—raise your profile? I have to tell you that, if you are, you have failed. When you were speaking, there were nine members in the chamber; when the gentleman for Hotham was speaking, I think there were three. The point is that it is absolutely hypocritical of you to talk about that, because what you built in 13 years we are not going to fix in 2½ months. That is the truth of the matter.

Let us look at the legacy of what you have left us. You are saying, 'Deliver on promises. Do this; do that.' You want us to spend masses of money. The truth of the matter, of course, is that we will deliver on our promises, as the Prime Minister (Mr Howard) has said time and again in this place as well as outside. The reality is that we are not going to stand up here on a piecemeal basis day after day and commit to odd bits here and odd bits there. You have not just left us but you have left the nation—

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The honourable member for Aston might direct his remarks through the chair. I do not want to sound too sensitive.

Mr NUGENT—I will address my remarks through the chair, of course. When the gentleman for Bonython and the rest of his colleagues on that side of the House were in government, they left not just this incoming government but the nation—all of our children—an horrendous legacy of debt, an horrendous legacy of an unbalanced budget. Of course, we have to decide what we are going to do about that, and we have to look at the impact on a whole range of areas.

What we are hearing from the other side is a lot of scurrilous arguments about rumour and innuendo. We are hearing that they want to see us bring along certainty and stability. Let us look at the question of stability in this portfolio area under the previous government. Of course, we have in the chamber our

distinguished former minister for science and technology, the honourable gentleman for Lalor (Mr Barry Jones), who is a good personal friend—

Mr Barry Jones—It is pronounced 'Lawler'.

Mr NUGENT—My apologies—'Lawler'. He is a fine gentleman and a fine academic and scholar. But, when I came to this place some six years ago, he was no longer the minister. Since then, we have had a veritable parade of gentlemen on that side of the House who have had this portfolio.

We have had the honourable gentleman for Hotham. Of course, he lasted for a while and he came up with a few bright ideas. He came into the House with a great trumpeting from the ACTU. What did he do? He crawled out with a whimper a couple of years later. We had Ross Free, and I cannot address him as the honourable gentleman for somewhere because he is no longer with us in a political sense. Again, he is a nice individual, but he was totally ineffectual. He made no contribution to the science and technology benefit of this country whatsoever. Then we had in the other place a senator from South Australia—Senator Schacht. Then we had a senator from Western Australia—Senator Cook.

Presumably, had you got back into government, we would have had somebody else this time around, and in another 18 months we would have had somebody else and so it goes on. Every time we have had a new minister in this portfolio in the last few years, what has happened is that we have had a change of direction—off down some new tack, some new bright project. How can you come in here and have the gall to talk about certainty and stability in this field of endeavour? It is absolutely unbelievable.

In the speech that the honourable gentleman for Bonython gave today we had a grab bag of views—whether we are talking about universities or CRCs or R&D or anything else—almost including the kitchen sink. By the very line of attack that he introduces, he is conceding that the previous government failed in this portfolio area. He is saying, 'What are you going to do—fix it up? What are your policies? How are you going to do

this? Are you going to spend more money? What are you going to do about certainty and so on and so forth?' It is acknowledging, of course, that they failed to fix the problems in 13 years.

Of course, we had the usual performance from the gentleman from Hotham—the bluster, the ranting and so on and so forth. But let us have a look at some of the things that the previous government did which we will have to fix up. Let us look, for example, at the CSIRO.

In my first years in this place I remember that one of the most disappointing things that occurred involved the CSIRO head, John Stocker. I think by any yardstick John Stocker was seen to be an outstanding individual for that job. But what did the previous government do to John Stocker? It ran him ragged by playing politics; it ran him ragged by cutting his budget. Not only did it cut his budget for year-to-year spending and recurrent spending, but it also cut his budget in terms of infrastructure for buildings. Under the previous government the money spent on buildings for the CSIRO fell to its lowest level for more than 12 years. The Fraser government was spending more in real dollars than your government or the previous government ever spent.

Poor old John Stocker found that the morale of his troops was affected because everything was politics. We had all the scientists at CSIRO spending almost as much time going out into the private sector trying to beg for funds because they could not get them from the Labor government, so they were not getting on with their research work and their morale fell even lower. Then we found that half of the funding that you were putting in there was in fact on an annual basis so they did not know from where they would get money from year to year. Often science and research work takes years to develop, so they would set off down a particular track and find they had no certainty of funding in the following year.

The result of this was that we had a brain drain. A couple of years ago I well remember attending a display by CSIRO in the mural gallery of this building when I talked to some

of our fine young scientists. In this country we have some outstanding scientists and, rightly, they have a good reputation for quality and innovation. They said then that they did not even know whether they were going to have a job the next year. They said, 'Not only do we not know about funding for our projects but also we don't even know if we will be employed.' So it seems to me that the tirade we are hearing from the other side is so much hot air. It is not backed up by a track record, it is not backed up by substance; it is all scurrilous guesswork and scare-mongering.

Apart from the brain drain, in 13 years under the previous government we did not see any proper development of an R&D culture in this country. We did not see that culture brought forward at all. Probably the biggest single failure we saw with that government was in the area of commercialisation—its failure to deal with issues such as risk capital; its failure, when good ideas did come forward, to see them developed in the markets of this country. So, whether it was talking about original research and development, whether it was talking about bringing those matters to the marketplace, the previous government was a total failure.

If members want some evidence of that they just have to go back, for example, to Industry Commission report No. 44, 'Research and development', dated 15 May 1994. Ten years after the Labor Party came to government there was a long list of what needed to be done to patch up the failures of the previous government.

I will wind up by saying that I find the opposition have an incredible nerve when they come in here and ask us, after we have been in government for 10 weeks, what we are going to do to fix up the 13 years of failure on that side. Their record—whether the evidence of the Industry Commission or whether the problems with CSIRO, the lack of continuity and stability, the brain drain which they engendered, the failure in the commercialisation field and all the other things that I have mentioned—is absolutely appalling. So where have the opposition shown their course? Why are they in here

asking questions of us? They should be in here, I would suggest, apologising. (*Time expired*)

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The discussion is concluded.

THERAPEUTIC GOODS AMENDMENT BILL 1996

Main Committee Report

Bill returned from Main Committee without amendment; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

Bill (on motion by **Mr McGauran**)—by leave—read a third time.

COMMITTEES

Membership

Mr DEPUTY SPEAKER (Mr Jenkins)—I wish to inform the House that the Speaker has received notifications from the party whips nominating members to be members of certain committees. As the list of nominations is a lengthy one, I do not propose to read the list to the House. It will be recorded in the *Votes and Proceedings* and incorporated in *Hansard*.

The document read as follows—

Standing Committee on Employment, Education and Training

Mr Barresi, Mr Bradford, Mr Brough, Mr Charles, Mrs Elson, Mrs Gash, Mr Marek, Mr Neville and Mr Pyne have been nominated by the Chief Government Whip and Mr P.J. Baldwin, Mr M.J. Ferguson, Mr Griffin, Mr Mossfield and Mr Sawford have been nominated by the Chief Opposition Whip.

Standing Committee on Environment, Recreation and the Arts

Mr Anthony, Mr Billson, Mr E.H. Cameron, Mr Entsch, Mr Hockey, Miss J.M. Kelly, Mr McDougall, Dr Southcott and Mr Truss have been nominated by the Chief Government Whip and Mrs Crosio, Mr Jenkins, Mr Langmore, Dr Lawrence and Mr Martin, have been nominated by the Chief Opposition Whip.

Standing Committee on Legal and Constitutional Affairs

Mr J.N. Andrew, Mr K.J. Andrews, Mr Barresi, Mr Broadbent, Mrs E.J. Grace Mr Mutch, Mr Randall, Mr Sinclair and Dr Southcott have been nominated by the Chief Government Whip and Mr Kerr, Mr Lee, Mr McClelland, Mr Melham and Mr K.J. Thomson have been nominated by the Chief Opposition Whip.

Broadcasting of Parliamentary Proceedings, Joint Committee

Membership

Motion (by **Mr McGauran**)—by leave—agreed to:

That in accordance with the provisions of the Parliamentary Proceedings Broadcasting Act 1946, in addition to the Speaker, ex officio, Mr Adams, Mr Richard Evans, Mr Hicks, Mr Lindsay and Mr Martin be members of the Joint Committee on the Broadcasting of Parliamentary Proceedings.

Membership

Mr DEPUTY SPEAKER—The Speaker has received messages from the Senate acquainting the House that, in accordance with the provisions of the Parliamentary Proceedings Broadcasting Act 1946, Senators Knowles and West have been appointed members of the Joint Committee on the Broadcasting of Parliamentary Proceedings; Senators Baume, Crowley, Mackay, Watson and Woods have been appointed members of the Joint Committee of Public Accounts; and Senators Calvert, Ferguson and Murphy have been appointed members of the Parliamentary Standing Committee on Public Works.

BILLS RETURNED FROM THE SENATE

The following bills were returned from the Senate without amendment or request:

Loan Bill 1996

Indigenous Education (Supplementary Assistance) Amendment Bill 1996

SYDNEY 2000 GAMES (INDICIA AND IMAGES) PROTECTION BILL 1996

First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.

**AUSTRALIAN SPORTS DRUG
AGENCY AMENDMENT BILL 1996**

First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.

**PARLIAMENTARY CONTRIBUTORY
SUPERANNUATION AMENDMENT
BILL 1996**

First Reading

Bill presented by **Mr Fahey**, and read a first time.

Second Reading

Mr FAHEY (Macarthur—Minister for Finance) (4.32 p.m.)—I move:

That the bill be now read a second time.

Under the provisions of the Parliamentary Contributory Superannuation Act 1948, parliamentary pensions are fixed as a percentage of parliamentary salaries payable to serving members from time to time. This includes the additional pensions payable for service as a minister, which are fixed as a percentage of the additional salaries payable to current ministers.

The reduction in the additional salary for non-cabinet ministers, payable after the election on 2 March 1996, would have had the effect of reducing the accrued benefits of certain scheme members. The benefits affected include the pensions of former members, and spouses of deceased former members, where the former members held office as non-cabinet ministers.

The bill will amend the act to prevent a decrease in accrued parliamentary pension entitlements of current and former members or their spouses resulting from the new ministerial salary arrangements, and any similar salary reductions in the future. Provisions in the bill have retrospective commencement from 2 March 1996.

I now turn to the financial impact of the bill. The salary reduction would have had the effect of a minor reduction in the cost of the scheme. The reduction in costs in 1996-97 in

relation to existing pensioners would have been approximately \$80,000, but this saving would have decreased over time as the salary payable to a non-cabinet minister increased to the pre-reduction level.

The amendments included in the bill will maintain the previous expenditure level. There is no immediate financial impact in relation to preserving the accrued entitlements of serving members because any benefit from the proposed provisions would only be realised on retirement. I present the explanatory memorandum to this bill.

Debate (on motion by **Mr Crean**) adjourned.

COMMITTEES

Corporations and Securities Committee

Consideration of Senate Message

Consideration resumed.

Mr LEO McLEAY (Watson) (4.35 p.m.)—There is only one other matter that I would like to raise in this debate. Earlier today during question time we heard a dorothy dixer thrown up to the Leader of the House (**Mr Reith**) about what he thought was disruption last night. It is interesting to know that the trouble that the Leader of the House had last night was that, while he decided that everybody else was going to be here, he blithely applied for leave and went out and had dinner and enjoyed himself.

Mr Crean—In the penthouse?

Mr LEO McLEAY—We do not know where it was, but my colleague might have a suggestion here.

Mr Crean—You have got a penthouse in Canberra, too?

Mr LEO McLEAY—He has probably got property everywhere.

Mr Reith—They're not just on this side, you know.

Mr LEO McLEAY—The Leader of the House might restrain himself for a little bit. The point the opposition has with this is that we have no problem in cooperating with the government to get the business through the House. We have been reasonable on most of the things that the Leader of the House has

wanted. What we do object to is the fact that we have this attitude that the House has just got to do whatever the Leader of the House says, without any sort of consultation.

Last night, he decided that he was going to run the debate on the social security bill all night after he had worked out that there were no other government members who wanted to speak on this very draconian piece of legislation because they did not quite know what he was up to. There were no government members who wanted to speak on it, but we had a lot of people who wanted to speak on it. Without any consultation, at 4 o'clock—after question time, after the MPI and after he had scuttled out of the House so he could not be asked a question on this—he gets the Parliamentary Liaison Officer to ring my office and say, 'Oh, by the way, we're not getting up at 6.30 tonight. We're going to sit till 11 o'clock with no dinner break.'

I got a message while sitting at my desk that I have a letter from the government whip saying, 'Please can Mr Reith have the night off to go out to dinner?' The gall of this man; the absolute gall of this man! And he says that he wants to see the House operate in a cooperative manner. He would not know what cooperation was.

He then gets a dorothy dixer today and says, 'Isn't it terrible? Members of parliament actually want to speak on bills here. That is filibustering. That is disruption.' The Leader of the House would not have any idea what democracy is about. When we want to bring this to the attention of the people of Australia, he says, 'This is terrible. This is a filibuster.'

What I say to the Leader of the House and the House is that we will bring these things to people's attention. The Leader of the House has our cooperation if he is willing to play the game fairly—the way we played with the opposition when we were in government. There was none of this business we get from the Leader of the House. He tried to bring in the industrial relations bill last Thursday afternoon at this time and then the government whip had the hide to come along to me and say, 'We want to debate this on Tuesday morning'—two working days later.

Mr Reith—No, he never said that.

Mr LEO McLEAY—Yes, he did say that. Tuesday morning you wanted to debate it.

Mr Reith—No, I told Simon you could have a party meeting first.

Mr LEO McLEAY—Before we had a party meeting, his agent comes over and says, 'Tuesday.' That gave two working days for the opposition to digest what the government says is one of the major points of its legislative program—two days.

Mr Reith—So when did we start the debate?

Mr LEO McLEAY—After we complained. After we said that we were not going to wear that. This is cooperation! It is stick up time all the time. We are quite willing to be helpful, but the Leader of the House has to realise that the government has to be reasonable with other people. My colleagues from the Independents, who are not quite sure whether they are a party or whether they are Independents, also have a point of view on this.

Mr Filing—Mr Deputy Speaker, I rise on a point of order. The member for Watson well knows our attitude. To make that assertion is a reflection on us which is out of order.

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! There is no point of order.

Mr LEO McLEAY—To mention the name of the honourable member for Moore is probably a reflection on something, I suppose. Quite frankly, what the government has done with the committee system is wrong. What the government has done with the staffing of the committee system is wrong. The way the government wants to bulldoze legislation through the House without any consultation is wrong. The Leader of the House has said that we will sit Monday and Tuesday nights but we will not sit Wednesday nights and then he gets the government whip to rearrange the speakers list so the only people who end up debating on Wednesday nights are opposition members. He pulls the government members off the speakers list. While he is doing all this, where is he? He is out to dinner, enjoying himself, having a nice glass of red wine. He comes back in here—

Mr Reith—White wine.

Mr LEO McLEAY—He admits that he was busy out there at dinner time drinking white wine. He then comes back in here at 10.30 p.m. all in a flurry. What did the Leader of the House achieve in all this? He achieved nothing, in the same way you achieved nothing last Wednesday night.

Mr Reith—We finished the bill off on both occasions.

Mr LEO McLEAY—You finished the bill off today, when we said to you we would finish the bill off. We did not need to sit last night. You talk about saving money. You are wasting the money of the parliamentary departments. You have all these people who work in the building kept back here until 11 o'clock and 12 o'clock at night so you can go out to dinner and get your eye off the ball. That is the problem we have. You're out to lunch, you're out to dinner—you're just out of control.

The point is: if the Leader of the House can see the logic of what the Senate has said in this amendment, he should take that on board. The standing orders should be changed to accommodate what the Senate has done with their own committees. Be sensible. Try to get the place to work properly. Take the cooperation we are offering and try to make the parliamentary committee system operate the way it has for some time, rather than turn it into a partisan argument. The other thing the government ought to do is seriously look at ensuring that the parliamentary committees are properly staffed.

Accountability is not 20 questions a day without answers. That is what we are getting from this man who stands up here at question time and says, 'Aren't we doing terrifically?' We have 20 questions a day. If you read the *Hansard* you will see there is not an answer in it. The real accountability comes from the committee system. I think the Leader of the House should take that on board. He should wake up to himself and do something decent for a change. (*Time expired*).

Question put:

That the words proposed to be omitted (**Mr Filing's** amendment) stand part of the question.

The House divided. [4.47 p.m.]

(Mr Deputy Speaker—Mr H.A. Jenkins)

Ayes	123
Noes	2
Majority	121

AYES

- | | |
|------------------|---------------------|
| Abbott, A. J. | Adams, D. G. H. |
| Albanese, A. | Anderson, J. D. |
| Andrew, J. N. | Andrews, K. J. |
| Anthony, L. J. | Bailey, F. E. |
| Baldwin, P. J. | Baldwin, R. C. |
| Barresi, P. A. | Bartlett, K. J. |
| Beddall, D. P. | Billson, B. F. |
| Bishop, B. K. | Brereton, L. J. |
| Broadbent, R. E. | Brough, M. T. |
| Brown, R. J. | Cadman, A. G. |
| Cameron, R. A. | Causley, I. R. |
| Charles, R. E. | Cobb, M. R. |
| Crean, S. F. | Dondas, N. M. |
| Downer, A. J. G. | Draper, P. |
| Ellis, A. L. | Elson, K. S. |
| Entsch, W. G. | Evans, G. J. |
| Evans, M. J. | Evans, R. D. C. |
| Fahey, J. J. | Ferguson, L. D. T. |
| Ferguson, M. J. | Fitzgibbon, J. A. |
| Forrest, J. A. | Gallus, C. A. |
| Gambaro, T. | Gash, J. |
| Georgiou, P. | Grace, E. J. |
| Grace, E. L. | Griffin, A. P. |
| Hardgrave, G. D. | Hawker, D. P. M. |
| Hicks, N. J.* | Hockey, J. B. |
| Holding, A. C. | Hollis, C. |
| Jeanes, S. B. | Johnston, R. |
| Jones, B. O. | Jull, D. F. |
| Katter, R. C. | Kelly, D. M. |
| Kelly, J. M. | Kemp, D. A. |
| Kerr, D. J. C. | Langmore, J. V. |
| Latham, M. W. | Lee, M. J. |
| Lieberman, L. S. | Lindsay, P. J. |
| Lloyd, J. E. | Macklin, J. L. |
| Marek, P. | Martin, S. P. |
| McArthur, F. S. | McClelland, R. B. |
| McDougall, G. R. | McGauran, P. J. |
| McLeay, L. B. | McMullan, R. F. |
| Melham, D. | Miles, C. G. |
| Morris, A. A. | Morris, P. F. |
| Mossfield, F. W. | Moylan, J. E. |
| Mutch, S. B. | Nairn, G. R. |
| Nehl, G. B. | Nelson, B. J. |
| Nugent, P. E. | O'Connor, G. M. |
| O'Keefe, N. P. | Price, L. R. |
| Pyne, C. M. | Quick, H. V. |
| Randall, D. J. | Reid, N. B. |
| Reith, P. K. | Ronaldson, M. J. C. |
| Ruddock, P. M. | Sawford, R. W.* |
| Scott, B. C. | Sercombe, R. C. G. |
| Sharp, J. R. | Slipper, P. N. |
| Smith, A. C. | Smith, W. L. |
| Somlyay, A. M. | Southcott, A. J. |

AYES

Stone, S. N.	Sullivan, K. J.
Tanner, L. J.	Taylor, W. L.
Theophanous, A. C.	Thomson, A. P.
Thomson, K. J.	Truss, W. E.
Vaile, M. A.	Vale, D. S.
Wakelin, B. H.	West, A. G.
Williams, D. R.	Willis, R.
Wilton, G. S.	Worth, P. M.
Zammit, P. J.	

NOES

Andren, P. J.*	Filing, P. A.*
----------------	----------------

* denotes teller

Question so resolved in the affirmative.

Electoral Matters Committee**Consideration of Senate Message**

Mr DEPUTY SPEAKER (Mr Jenkins)—Mr Speaker has received the following message from the Senate:

The Senate acquaints the House of Representatives that it concurs in the resolution transmitted to the Senate by message No. 7 of the House of Representatives relating to the appointment of a Joint Standing Committee on Electoral Matters, subject to the following modifications:

1. Paragraph (8), at the end of the paragraph, add:

" , provided that in a deliberative meeting the quorum shall include 1 member of either House of the Government parties and 1 member of either House of the non-Government parties".

2. Paragraph (11), omit the paragraph, substitute:

(11) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 member of either House of the Government parties and 1 member of either House of the non-Government parties.

The Senate requests the concurrence of the House of Representatives in the modifications.

Ordered that the message be taken into consideration forthwith.

Motion (by **Mr Reith**) proposed:

That the modifications be agreed to.

Mr FILING (Moore) (4.58 p.m.)—I move:

That all words after "That" be omitted with a view to substituting the following words:

"the Senate modifications (1) and (2) be amended by omitting 'non-Government parties' in each case and substituting 'Members or Senators'".

Mr DEPUTY SPEAKER—Is the amendment seconded?

Mr Andren—I second the amendment.

Mr REITH (Flinders—Leader of the House) (4.58 p.m.)—I want to put on the record the government's view of this matter. We have not been in support of the concept of requiring as an additional qualification for the establishment of a quorum that particular political parties be represented. For that reason, we did not support the original amendments put by the opposition in this place. As I said in my opening remarks, we did not support the concept behind the amendments which the Senate came to but, for the sense of having these matters compromised and so that these committees can be established, we therefore propose to the House that the modifications of the Senate be agreed to. I think that is the sensible way to proceed. For those reasons, as we have not accepted in principle, we obviously do not accept attempts to make a bad system better, which is what is being proposed by the honourable member for Moore (Mr Filing). I simply wanted to put that on the record.

Amendment negated.

Original question resolved in the affirmative.

Foreign Affairs, Defence and Trade Committee**Consideration of Senate Message**

Mr DEPUTY SPEAKER (Mr Jenkins)—Mr Speaker has received the following message from the Senate:

The Senate acquaints the House of Representatives that it concurs in the resolution transmitted to the Senate by message No. 8 of the House of Representatives relating to the appointment of a Joint Standing Committee on Foreign Affairs, Defence and Trade, subject to the following modifications:

1. Paragraph (8), at the end of the paragraph, add:

" , provided that in a deliberative meeting the quorum shall include 1 member of either House of the Government parties and 1 member of either House of the non-Government parties".

2. Paragraph (12), omit the paragraph, substitute:

(12) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 member of either House of the Government parties and 1 member of either House of the non-Government parties.

The Senate requests the concurrence of the House of Representatives in the modifications.

Ordered that the message be taken into consideration forthwith.

Motion (by **Mr Reith**) proposed:

That the modifications be agreed to.

Mr FILING (Moore) (5.00 p.m.)—Just before moving an amendment, I point out that I listened very carefully to the comments by the Leader of the House (Mr Reith) and, having had a brief discussion, I understand the difficulties that the compromise in the Senate has caused the government and, were our amendments to be successful, the difficulties and constraints that they would place on the activities of the various committees as, obviously, that would delay them. In no way do I want to delay the business of the committees. However, in order to facilitate the smooth transition of these messages, I suggest to the Leader of the House that he may wish to suspend standing orders to allow them to be dealt with in a group in order that I can move amendments to messages 12 to 16, although message 14 has a slight difference to it.

Mr DEPUTY SPEAKER—The honourable member for Moore is awaiting some reaction to that before he moves an amendment? On indulgence, I will allow the Leader of the House to speak.

Mr REITH (Flinders—Leader of the House) (5.01 p.m.)—As I understand, that would still require an amendment in respect of each matter, so I do not think that advances the cause. We dealt with a number of these matters cognately last time because the opposition was running a division on each and every one of them. So as to short-circuit the process, we put them together. It is not that we cannot put them together, but I must say it is not obvious to me what end would be served. It is clearly on the record that your view is that those which are the same should be amended in exactly the same way, but it

seems absolutely of no benefit to anybody to somehow change the procedures. We are simply trying to proceed with the matter and have it completed.

Mr Leo McLeay—You would have to have a vote on each one.

Mr REITH—You would have to have a vote on each one anyway, as the member for Watson sensibly says.

Mr FILING (Moore) (5.02 p.m.)—Mr Deputy Speaker, in that case, in the case of message No. 11, I move:

That all words after "That" be omitted with a view to substituting the following words:

"the Senate modifications (1) and (2) be amended by omitting 'non-Government parties' in each case and substituting 'Members or Senators'".

Mr DEPUTY SPEAKER (Mr Nehl)—Is the amendment seconded?

Mr Andren—I second the amendment and reserve my right to speak.

Mr LEO McLEAY (Watson) (5.03 p.m.)—Very briefly for the record, the opposition does see some merit in what the Independents are suggesting, but to agree to it at this stage would just delay the formation of the committee system. We would send this back to the Senate, they would disagree, they would send it back to us and we would be weeks away from forming the committee system. The government has already delayed this too long and we think the committee system should be expedited.

Mr ANDREN (Calare) (5.04 p.m.)—Mr Deputy Speaker, I think the principle of this matter is much larger than the need to get it hurried through. I think the amendment that the honourable member for Moore (Mr Filing) has moved in the House this afternoon is basic to the tenets of a democratic house. I think that the arrogance of the insertion of 'parties' in the original paragraphs was very symptomatic of the attitude of the major parties. The point I made right throughout my election campaign—basic to my election to this House—and an attitude that is held in the wider community is that, if the Independent voices are not given a fair and open hearing in the committee structure, we are really turning our backs on the democratic process.

Amendment negated.

Original question resolved in the affirmative.

Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee

Consideration of Senate Message

Mr DEPUTY SPEAKER (Mr Nehl)—Mr Speaker has received the following message from the Senate:

The Senate acquaints the House of Representatives that it concurs in the resolution transmitted to the Senate by message No. 9 of the House of Representatives relating to the appointment of the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund, subject to the following modifications:

1. Paragraph (f), at the end of the paragraph, add:

" , provided that in a deliberative meeting the quorum shall include 1 member of either House of the Government parties and 1 member of either House of the non-Government parties".

2. Paragraph (i), omit the paragraph, substitute:
 - (i) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 member of either House of the Government parties and 1 member of either House of the non-Government parties.

The Senate requests the concurrence of the House of Representatives in the modifications.

Ordered that the message be taken into consideration forthwith.

Motion (by **Mr Reith**) proposed:

That the modifications be agreed to.

Amendment (by **Mr Filing**) proposed:

That all words after "That" be omitted with a view to substituting the following words:

"the Senate modifications (1) and (2) be amended by omitting 'non-Government parties' in each case and substituting 'Members or Senators'".

Mr DEPUTY SPEAKER (Mr Nehl)—Is the amendment seconded?

Mr Andren—I second the amendment and reserve my right to speak.

Amendment negated.

Original question resolved in the affirmative.

National Crime Authority Committee

Consideration of Senate Message

Mr DEPUTY SPEAKER (Mr Nehl)—Mr Speaker has received the following message from the Senate:

The Senate acquaints the House of Representatives that it concurs in the resolution transmitted to the Senate by message no. 10 of the House of Representatives relating to the appointment of the Parliamentary Joint Committee on the National Crime Authority, subject to the following modifications:

1. Paragraph (f), at the end of the paragraph, add:

" , provided that in a deliberative meeting the quorum shall include 1 member of either House of the Government parties and 1 member of either House of the non-Government parties".

2. Paragraph (i), omit the paragraph, substitute:

(i) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 member of either House of the Government parties and 1 member of either House of the non-Government parties.

The Senate requests the concurrence of the House of Representatives in the modifications.

Ordered that the message be taken into consideration forthwith.

Motion (by **Mr Reith**) proposed:

That the modifications be agreed to.

Mr FILING (Moore) (5.07 p.m.)—I have personally had a lot of interest in the Joint Committee on the National Crime Authority. In the business of the committee over the last six years I have been conscious of the fact that on a number of occasions there have been deliberative meetings involving subcommittees of the committee. As I indicated earlier in the last sitting in the debate on the original amendment proposed by the member for Hotham (Mr Crean), I was opposed to the creation of a requirement in a quorum of a subcommittee for an opposition member to be present in order for that committee to have a constituted quorum. Now we find ourselves, as the Leader of the House (Mr Reith) has conceded, in a difficult situation as a result of a deal in the Senate between the major parties. I understand that effectively also excludes Senator Harradine.

We have a situation where, in effect, there are two classes of members and senators—those who are in major parties and those who are Independent members or senators. Quite clearly, that is an infringement of the rights of one set of members or senators in relation to the activities of this important committee. It is a committee that is constituted under statutory power under the statutes of the National Crime Authority Act. I move:

That all words after "That" be omitted with a view to substituting the following words:

"the Senate modifications (1) and (2) be amended by omitting 'non-Government parties' in each case and substituting 'Members or Senators'".

Mr DEPUTY SPEAKER (Mr Nehl)—Is the amendment seconded?

Mr Andren—I second the amendment and reserve my right to speak.

Mr REITH (Flinders—Leader of the House) (5.09 p.m.)—I appreciate the comments of the honourable member for Moore (Mr Filing). I thought he was right the first time when he opposed the original proposition. It is for that basic reason, as he then expressed, that we are reluctant in this matter and it is, therefore, why we are not in favour of the proposition he is now advancing. In response to one of his remarks, I do not think this is a matter that goes to the entitlements of members or senators. If that claim could be substantiated, you would certainly have a stronger position to advance.

The fact is that the rights of people to attend these meetings are rights which accrue as a result of their membership of the subcommittee. That is all. If they are a member of the subcommittee, they are entitled to notice of a meeting and they are entitled to go to that meeting and participate in it. The suggestion that somehow people's rights are being reclassified by this is not a fair comment. It may advantage some people against others in the work of the committee, but I do not think it goes to the rights of members.

Amendment negatived.

Original question resolved in the affirmative.

National Capital and External Territories Committee

Consideration of Senate Message

Mr DEPUTY SPEAKER (Mr Nehl)—Mr Speaker has received the following message from the Senate:

The Senate acquaints the House of Representatives that it concurs in the resolution transmitted to the Senate by message No. 11 of the House of Representatives relating to the appointment of a Joint Standing Committee on the National Capital and External Territories, subject to the following modifications:

1. Paragraph (2), omit the paragraph, substitute:

(2) That the committee consist of 12 members, the Deputy Speaker, 3 Members of the House of Representatives to be nominated by the Government Whip or Whips, 2 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, the Deputy President and Chairman of Committees, 2 Senators to be nominated by the Leader of the Government in the Senate, 2 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators.

2. Paragraph (8), at the end of the paragraph, add:

", provided that in a deliberative meeting the quorum shall include 1 member of either House of the Government parties and 1 member of either House of the non-Government parties".

3. Paragraph (11), omit the paragraph, substitute:

(11) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 member of either House of the Government parties and 1 member of either House of the non-Government parties.

The Senate requests the concurrence of the House of Representatives in the modifications.

Ordered that the message be taken into consideration forthwith.

Motion (by **Mr Reith**) proposed:

That the modifications be agreed to.

Mr FILING (Moore) (5.11 p.m.)—I listened carefully to what the Leader of the House (Mr Reith) had to say. We beg to differ. Clearly, there is a difference of opin-

ion. I would have thought that as a Western Australian, in particular, as I mentioned earlier, coming to a committee meeting that has been convened on this side of the country to find, as happened to me in the past, that a subcommittee meeting has been held in Sydney—

Mr Leo McLeay—The other two Western Australians have voted with their feet.

Mr FILING—That is an interesting interjection by the member for Watson. I can tell him that the actual committee meeting to which I am referring, as he well knows, is a meeting of the Procedure Committee. That meeting was held in Sydney to suit the Sydney members and only one of them turned up.

Mr Leo McLeay—To suit me.

Mr FILING—Yes, it was to suit you.

Mr Leo McLeay—I turned up.

Mr FILING—I don't think you did, actually.

Mr DEPUTY SPEAKER (Mr Nehl)—The member for Moore should direct his remarks through the chair and not be deflected by the honourable member for Watson.

Mr FILING—It is a bit of a hillock to get over. In this particular instance, in relating to the House the problems with the activities of committees, I wanted to reiterate and affirm the fact that, if the Leader of the House is right that the government was adamantly opposed to the creation of this qualification for a quorum for a subcommittee, the amendments should not have been accepted in the Senate. It is a simple fact.

The obvious difference in the House was that the Labor opposition wanted to have a facility whereby they had to have a member of that committee who represented them at a subcommittee meeting of a committee in order to form a quorum. The compromise in the Senate has been effectively that the requirement is purely for the quorum of a subcommittee for a deliberative meeting, not a meeting that will be hearing evidence or making other inquiries.

Mr Crean—If it's not deliberative they can't take too many deliberations.

Mr FILING—Earlier the member for Hotham was saying that these compromises constituted success for the opposition. Somehow they had managed to turn around the committee structure to suit their own purposes. In other words, they felt they had won a victory. To be perfectly frank, I think you have. You have basically corrupted the process of the committee now so there is a requirement of two for a quorum in a subcommittee, not including one opposition member. That means, effectively, that a bloody-minded action or strategy could well be launched to prevent those subcommittees from deliberating on important matters of committee business without there being an effective quorum by preventing an opposition member from being present.

I absolutely agree with the comments of the Leader of the House. All I am saying is that, now that the situation has arisen where a compromise has been arrived at by the two major parties and a minor party, effectively we now have a classification where there are two separate classes of members and senators—those who are members of a major party, or a minor party in the case of the Democrats, and those who are Independents. Therefore, I move:

That all words after "That" be omitted with a view to substituting the following words:

"the Senate modifications (1) and (2) be amended by omitting 'non-Government parties' in each case and substituting 'Members or Senators'".

Mr DEPUTY SPEAKER (Mr Nehl)—Is the amendment seconded?

Mr Andren—I second the amendment and reserve my right to speak.

Amendment negatived.

Original question resolved in the affirmative.

Migration Committee

Consideration of Senate Message

Mr DEPUTY SPEAKER (Mr Nehl)—Mr Speaker has received the following message from the Senate:

The Senate acquaints the House of Representatives that it concurs in the resolution transmitted to the Senate by message No. 12 of the House of Representatives relating to the appointment of a Joint

Standing Committee on Migration, subject to the following modifications:

1. Paragraph (8), at the end of the paragraph, add:

" , provided that in a deliberative meeting the quorum shall include 1 member of either House of the Government parties and 1 member of either House of the non-Government parties".

2. Paragraph (11), omit the paragraph, substitute:

(11) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 member of either House of the Government parties and 1 member of either House of the non-Government parties.

The Senate requests the concurrence of the House of Representatives in the modifications.

Ordered that the message be taken into consideration forthwith.

Motion (by **Mr Reith**) proposed:

That the modifications be agreed to.

Motion (by **Mr Filing**) proposed:

That all words after "That" be omitted with a view to substituting the following words:

"the Senate modifications (1) and (2) be amended by omitting 'non-Government parties' in each case and substituting 'Members or Senators'".

Mr DEPUTY SPEAKER (Mr Nehl)—Is the amendment seconded?

Mr Andren—I second the amendment and reserve the right to speak.

Amendment negatived.

Original question resolved in the affirmative.

Treaties Committee

Consideration of Senate Message

Mr DEPUTY SPEAKER (Mr Nehl)—Mr Speaker has received the following message from the Senate:

The Senate acquaints the House of Representatives that it concurs in the resolution transmitted to the Senate by message No. 13 of the House of Representatives relating to the appointment of a Joint Standing Committee on Treaties, subject to the following modifications:

1. Paragraph (2), omit the paragraph, substitute:

(2) That the committee consist of 16 members, 6 Members of the House of Representatives to be nominated by the Government Whip or Whips, 3 Members of the House of Representatives to be nominated by the Opposition Whip or Whips or by any independent Member, 3 Senators to be nominated by the Leader of the Government in the Senate, 3 Senators to be nominated by the Leader of the Opposition in the Senate and 1 Senator to be nominated by any minority group or groups or independent Senator or independent Senators.

2. Paragraph (8), at the end of the paragraph, add:

" , provided that in a deliberative meeting the quorum shall include 1 member of either House of the Government parties and 1 member of either House of the non-Government parties".

3. Paragraph (12), omit the paragraph, substitute:

(12) That the quorum of a subcommittee be 2 members of that subcommittee, provided that in a deliberative meeting the quorum shall comprise 1 member of either House of the Government parties and 1 member of either House of the non-Government parties.

The Senate requests the concurrence of the House of Representatives in the modifications.

Ordered that the message be taken into consideration forthwith.

Mr REITH (Flinders—Leader of the House) (5.18 p.m.)—I move:

That the modifications be agreed to.

This is the last one of these messages from the Senate. I thought I would take the opportunity, very briefly, to reply to a couple of things which the Manager of Opposition Business (Mr Crean) put on the record today. He said, for example, that there had been a lack of debate on committees. These committees were originally established in 1987. There was a significant debate. It was a major turning point in the establishment of committees. That debate took 40 minutes. This debate has lasted nearly 6½ hours now.

Mr Crean—Yes, but there were divisions.

Mr REITH—The opportunities, of which there have been many, for people to speak have simply been wasted away by puerile divisions. In fact, when this matter came before the House originally, so delayed were the processes of dealing with these matters

that we gave you extra time the next morning, or whenever it was.

Mr Leo McLeay—You gave up.

Mr REITH—We provided further opportunity for debate and we had nothing but disruption. In respect of the Telstra bill, you said that we applied the gag. In fact, at the second reading stage everybody had their opportunity to say what they wanted to say. We tried to come to some arrangement about amendments being moved, but you would not come to any arrangements.

Mr Crean—You wouldn't let us move the amendments.

Mr REITH—Just so that the record is straight, our giving you additional time was not news to you. I told you last week that if you had a lot of people who wanted to speak on this, we would give them the opportunity to speak. Do not claim to be surprised about this. I told you last week. We know what the games are. It is interesting; these people have simply failed to make the transition from government to opposition. You just do not understand what is going on. You have your sidekick here, the member for Watson (Mr Leo McLeay), thinking he is running the show.

Mr Leo McLeay—We are still here.

Mr REITH—You are still here and you are in the right place. What was very interesting about last night was that all the speakers who were on the list were basically your own people, so we gave the opportunity for them to have a say, which is what you have been complaining about. Then what did you do? You came in here and lit fires all around the place with your puerile tactics. Then you walked out of the chamber and said, 'Shock, horror! There is a fire in there, which we have created.'

I have been here for a while now. When you see the other side calling quorums on themselves you know that they have basically gone bananas. Throughout the night you were moving that the debate be adjourned.

Mr Crean—You were at dinner.

Mr REITH—Yes, I was at dinner; I am not too sensitive about it. But let me put on

the record that I was the guest speaker for the Australian Food Council.

Mr Filing—You looked very fetching in your dinner suit.

Mr REITH—I was not in my dinner suit; that was for the Minerals Council. Thank you for the comment. When I came back here, you were basically running amok, but you were running amok in your time. That is where it is so stupid. We give you time, and what do you do with it? You abuse it.

Mr Leo McLeay interjecting—

Mr REITH—Well, you have to make up your mind, Leo, whether you want to be reasonable or do not want to be reasonable. The tactic of provoking a reaction from us on the basis of 'this is what you would have done in government' I am afraid is not a tactic that we are going to play. Just understand that.

Mr Crean—You wrote the rules.

Mr REITH—Look, we will run the House on a reasonable basis. The question for you, Leo, is whether or not a reasonable basis is going to transpire in the future.

Mr DEPUTY SPEAKER (Mr Nehl)—He is the member for Watson, not Leo.

Mr Crean—You are not talking through the chair, Peter.

Mr DEPUTY SPEAKER—The member for Hotham will cease talking altogether, through the chair or not.

Mr REITH—Mr Deputy Speaker, I know you have a good reputation for upholding the standards of this House. You would, I am sure, in your own mind concur with what I am saying. It has been very interesting to see the sensitive reaction from the other side about what has been happening at question time. They can say what they like but the fact is that standards in question time have been raised.

Mr Crean—Oh!

Mr REITH—If you look at the graph showing the number of questions, you will see that there was one year when Malcolm Fraser was Prime Minister that we averaged 19 questions at question time. Under Labor, things were so low that after a while they

agreed to an arrangement whereby there would be 14 questions at question time. Those who had not been here for a while thought that 14 questions was the conventional arrangement. But 14 questions at question time was just the all-time average low which we agreed to so it would not go down to 10, nine, eight and seven, which it had on some occasions, as the member for Moore (Mr Filing) would know.

Let us get a bit of reality into this. The standards in this place ought to be lifted. The absence now of the departed former Prime Minister is probably a step in the right direction. Most Australians who have watched the parliament would agree with that. There is no doubt that having the member for Bennelong (Mr Howard) as Prime Minister is one giant step towards lifting parliamentary standards. As to cooperation between ourselves and the opposition, of course we are prepared to cooperate and discuss the means by which the House is run.

Mr Crean—That would be a welcome change.

Mr REITH—If people want to cooperate and run things sensibly, we are prepared to do so. But you will need to rein in Leo to start with and assert your authority as Manager of Opposition Business if you are to have any say in the running of the House. If you just let Leo run wild in your own time, all you will do is destroy the opportunities of your own people to speak—opportunities which we have provided on the basis that you have asked for them.

I would have to say that all in all we have enjoyed the week, particularly Wednesday. We thank you for sending across your draft of questions and tactics for question time on Wednesday. We look forward to having a two-week break followed by a resumption of the sitting. Hopefully this last matter will finally be decided before the adjournment debate.

Mr FILING (Moore) (5.25 p.m.)—Before moving this final amendment to message No. 16 from the Senate, I would just like to make one observation. The Leader of the House (Mr Reith) talks about raising standards. Quite frankly, there has been some improvement

and one of them has been your ascension to speakership, Mr Speaker, and the fact that we now have what I consider a much more independent Speaker.

However, I must say that in the attitude the Leader of the House has displayed by talking about puerile divisions, there is, unfortunately, a reflection on the rights of members to use the standing orders to represent their constituents. If that is somehow puerile, I must say that it is a reflection on the House. I would have thought that would have been a reflection on some of the business of the House.

Mr Reith—So you thought they were fair enough last night.

Mr FILING—I am talking about this afternoon. In the passage of this matter through the House, there has been a considerable amount of debate. But at the end of the day we are effectively seeing the use of numbers to ram through an arrangement that has come as a result of a deal in the Senate to massage this particular arrangement through the Senate with the agreement of the Democrats and, of course, the ALP opposition.

This business infringes clearly on the rights of Independent members of this House. It means that we are now second rate as far as our rights are concerned. We still hear in all of the debates only the exclusive talk of government and opposition. It is clear to my mind after four weeks of sittings that the fact that there is now the largest number of elected Independents in this House since Federation has somehow escaped not only the Leader of the House but also the opposition executive, certainly in the case of the member for Watson (Mr Leo McLeay), who is the Deputy Manager of Opposition Business.

If we are going to raise the standards of this House, the conduct and business of this House, we also have to recognise that much of the business of the House passes through or is conducted with the agreement of all in the House. Much of the business is conducted by agreement, and in many cases leave is sought from the House to conduct particular business, and by agreement that business goes through without divisions. If we are forced in the end to stick closely to the standing orders

and to use standing orders in order to assert our rights, so be it. It is quite clear that at the end of the day our rights are considered to be secondary to any others. Under those circumstances, I move:

That all words after "That" be omitted with a view to substituting the following words:

"the Senate modifications (1) and (2) be amended by omitting 'non-Government parties' in each case and substituting 'Members or Senators'".

Mr SPEAKER—Is the amendment seconded?

Mr Andren—I second the amendment and reserve my right to speak.

Mr LEO McLEAY (Watson) (5.29 p.m.)—I listened to the Leader of the House (Mr Reith) and it was as though someone had resurrected Goebbels' speech writer. This man will say anything and it does not relate to the truth or to the reality of what has happened. Last night the opposition was expressing its indignation about the way the government was running the House. We make no apology for that and we will continue to do that until the government starts to take the opposition into account.

When I listen to the Leader of the House talk about question time, I am reminded of what the former President of the Senate, Condor Laucke, said one day when—after a long lunch—he went into the Senate and, in a Freudian slip, announced 'Questions without answers'. That is the way the government runs question time here. Every day we get 20 questions all right, but there are no answers. For the Leader of the House to say somehow or other that that is democracy and accountability is just rubbish. He knows it and everybody else knows it. Unless he starts to think about these things in a proper fashion, it will mean that the business of the House becomes a shambles under him—as it has been for the last few months.

Debate interrupted; adjournment proposed and negated.

Amendment negated.

Original question resolved in the affirmative.

MINISTERS OF STATE AMENDMENT BILL 1996

Mr SPEAKER—I wish to inform the House that today I waited upon His Excellency the Governor-General at Government House and personally presented for royal assent the Ministers of State Amendment Bill 1996, this being the first bill ready for presentation following the swearing-in of His Excellency. His Excellency, in the name of Her Majesty, was pleased to assent to the bill, which is now Act No. 2 of 1996.

ADJOURNMENT

Motion (by **Mr Reith**) proposed:

That the House do now adjourn.

Textile, Clothing and Footwear Industry

Mr MARTIN FERGUSON (Batman) (5.32 p.m.)—I rise this evening to address an issue of some significance. It is also appropriate that I raise this issue in the context of the debate this week on the amendments to the Migration Legislation Amendment Bill and the so-called concern of the government about the issue of tax avoidance and the requirement to ensure that people in the community, especially new arrivals, are looked after.

I specifically refer to what I regard as a shameful decision by the government to stifle a campaign against the exploitation of some of the most disadvantaged workers in the Australian community, namely, outworkers in the textile, clothing and footwear industry. In doing so, I congratulate those responsible for the launching of Australian Fashion Week in Sydney on 7 May at the showground, because it is a statement within Australia, and also internationally, that some of our best designers are now matching world standards. However, the real problem with the clothing industry in Australia is that all too often the glamour end of the industry hides the unfortunate exploitation of many of the 300,000 clothing outworkers who form the basis of this industry.

Now, without any consultation, the government has terminated an agreement with the Textile, Clothing and Footwear Union for the operation of an outworkers entitlement campaign. I believe that this campaign was

exceptionally important, because it would have gone some way to alleviating the exploitation that confronts not only the workers in that industry but also, unfortunately, some of their children.

I know from this afternoon that the Treasurer (Mr Costello) is concerned about the needs of families and children in Australia at the moment, so on that basis I suggest that clothing outworkers in Australia are amongst the easiest people to exploit. Those who sought to give some assistance in the industry understand the issues that I am raising.

Clothing outworkers are the hardest people to organise to defend their working rights because the industry is almost invisible, or at least difficult to find and organise. I therefore suggest that the decision of the government soon after it was elected on 2 March—in fact, before the month was out—to close down this campaign is a disgraceful decision and shows its lack of concern for ordinary working people, many of whom are among the most exploited in the Australian community.

What was the nature of the campaign? The key element of the campaign was to inform people who cannot yet communicate in English—which is in essence a very expensive campaign—of their rights. It is fairly important that we had applied an appropriate allocation of financial assistance to properly educate these people about their rights as Australian citizens. It was to have been a campaign to inform people in their own languages—Arabic, Chinese, Spanish, Turkish and Vietnamese—what their basic rights were. The decision by the Minister for Industry, Science and Tourism (Mr Moore) not to have the decency to himself inform the union but to request a public servant to carry out his dirty work is a disgrace.

I refer in passing to the *Four Corners* program on 22 April—just a month ago. Anyone who saw that program would have reeled in horror at the pictures of the working conditions that some of those outworkers have to put up with in the textile, clothing and footwear industry at the moment.

The Textile, Clothing and Footwear Union, in association with some of the better employers in the industry, is to be congratulated for

its determination to try to do something practical to assist those workers. I clearly state that there are many good employers, but unfortunately those good employers are being undermined by the less decent employers who are exploiting workers, including encouraging avoidance of tax avoidance as a means of gaining an unfair competitive advantage over decent employers in the industry.

I urge the government to review their decision. If they are really concerned about the needs and aspirations of ordinary working people in this country, they ought to look after some of the most exploited workers in the industry—textile, clothing and footwear outworkers—and, in doing so, ought to face up to their responsibilities on the taxation front to stop tax avoidance and to ensure that our requirement to have a decent tax base in this country is attended to.

Television Programs

Mr NEHL (Cowper) (5.37 p.m.)—Mr Speaker, I rise in this adjournment debate to speak about a letter I have received from two constituents of mine, John and Barbara Smith of Coramba, west of Coffs Harbour. I share their dismay about the standard of television programs that more and more often are coming on at times when children are around to see them. The letter, which was written on 24 May, states:

Last Tuesday evening after "G.P." on the ABC, there was shown "Backchat", and I was absolutely sick to my stomach and scandalised at what was shown.

If you have seen this programme you will be aware that viewers ring or write regarding their opinions on shows aired on the ABC.

In last Tuesday's episode, there were complaints made about a show, I know not which, or when it was aired. However the ABC thought it necessary to show again a part of it, this being a number of homosexuals taking part in oral sex. This was shown in virtually complete detail, along with a "Drag queen" commenting on same activities. This is classed as pornography, and in the vilest form. Would you please inform me as to how such a disgusting display is allowed on television. And this was at 9.20 p.m.! Even at 1.30 a.m. this filth should not be aired. Is the ABC exempt from any form of censorship?

Mr Leo McLeay—But did you turn it off?

Mr NEHL—I was not watching. This was written by two of my constituents, who ask, ‘What can we do?’ I share their dismay. The letter continues:

On the same programme, again complaints, about a programme for teenagers that airs on Saturday mornings (this episode about when and where teenagers began their sex lives) and the language used could not be repeated, at least I could not.

So says Barbara Smith, who continues:

The producer (?) was interviewed and he shrugged it off with words to the effect that—

(Quorum formed)

My constituent Barbara Smith went on to say—

Motion (by **Mr Miles**) proposed:

That the question be now put.

A division having been called and the bells being rung—

Mr Miles—Mr Speaker, I request that the division be called off.

Mr SPEAKER—I call the division off. Your request is granted.

National Reconciliation Week

Mr MELHAM (Banks) (5.43 p.m.)—A lot of things have been said during this, the first National Reconciliation Week. Some fine words have been spoken and some shameful words uttered. I endorse the rejection by the Minister for Aboriginal and Torres Strait Islander Affairs (Senator Herron) of the kind of ignorant, frightened, whining contributions made by more than one member during this week. I believe the Australian people are stronger and smarter than that.

I draw the attention of the House to an excellent article in yesterday’s *Financial Review* written by Ian Spicer, who is the Chief Executive of the Australian Chamber of Commerce and Industry and a fellow member of the Council for Aboriginal Reconciliation. Mr Spicer has this to say:

Today, reconciliation must be seen as a process that involves every section of the community.

... ..

Reconciliation is not seen by business as a miracle boost to profit. Business is looking to reconciliation to assist in finding satisfactory resolutions—

Mr Bob Baldwin—Mr Speaker, I rise on a point of order. I draw your attention to standing order 55. It states:

When a Member is speaking, no Member may converse aloud or make any noise or disturbance to interrupt the Member.

Mr SPEAKER—Order! Would members either return to their places or remove themselves from the chamber.

Mr MELHAM—I will just repeat what he says in the latter part of his article, and these are comments that I endorse absolutely:

Reconciliation is not seen by business as a miracle boost to profit. Business is looking to reconciliation to assist in finding satisfactory resolutions to issues such as native title and other related matters. It is also important, of course, that Aboriginal people understand the imperatives of business.

These are the words that I endorse absolutely. It continues:

But we are not going to get satisfactory resolution to these issues without understanding the cultural and spiritual significance of the land for indigenous Australians. None of this will be possible unless people are able to sit together around the table and discuss issues on an equal footing—with understanding and mutual respect.

This is the goal of reconciliation.

That is what the Native Title Act was all about. That is what reconciliation is all about—walking down the same path together hand in hand.

I notice what the Minister for Aboriginal and Torres Strait Islander Affairs said in a discussion paper titled ‘Pathways to sustained economic development for Aboriginal and Torres Strait Islander peoples’, which was released on Wednesday. He said:

My Government is committed to the principles of greater self-reliance and self-management for Aboriginal and Torres Strait Islander peoples . . .

We will be holding the government to that. This coming Sunday, peak indigenous leaders are meeting with stakeholders from all sectors of Australian business and society to thrash out a mutually acceptable position on amendments to the Native Title Act. They are making reconciliation a material reality. That is a meeting that was organised by the Council for Aboriginal Reconciliation to bring

people together to try to work out constructive resolutions to these problems.

The Australian Labor Party will support constructive amendments to the Native Title Act, but we will maintain the principle that we will not support amendments that take away rights that people have.

I commend those who have involved themselves in the week of reconciliation. I think it has been a positive week. I look forward to this initiative over the next five years. I congratulate Pat Dodson and the Council for Aboriginal Reconciliation on the fine work they have been doing throughout this week.

Mr SPEAKER—I call the honourable member for Cowper.

Mr Lee—Mr Speaker, I rise on a point of order. Under standing order 91, I understand that, if any other member rises to address the House, a member cannot speak a second time.

Mr SPEAKER—The member's point is upheld.

Sisters of St Paul de Chartres

Mr HARDGRAVE (Moreton) (5.49 p.m.)—Thank you very much, Mr Speaker, for allowing me the opportunity to draw the attention of the House to the good works of the Sisters of St Paul de Chartres, which I learnt more about last week when I attended the order's tricentennial thanksgiving mass with the honourable member for Rankin (Mr Beddall).

This particular religious order of the Catholic Church in Australia has had a very interesting history over the last 300 years, which I think is extremely worthy of recounting here for the benefit of my honourable colleagues and also for the public record. I have a personal knowledge of the Sisters of St Paul de Chartres, because my paternal grandmother received tremendous good care from them when she stayed at their hostel at Boronia Heights, south of Brisbane, a few years ago.

As I mentioned before, the order was established 300 years ago this year in 1696. Its founder was Father Louis Chauvet, the parish priest of a small village in France called Levesville. He wanted to do something to alleviate the poverty and suffering he saw

all around him, so he sought the assistance of a woman of means, Marie Anne de Tilly, who worked together with three young girls and formed a small community to care for the sick and the needy. They also started a school to educate the village children.

Their community almost foundered a few years later with the death of both their leader and Marie Anne de Tilly, but fortunately word of their good deeds had spread and by 1708 they were taken under the wing of the bishop at Chartres, who suggested that they take his namesake, St Paul, as their patron and model. As time passed, the Sisters of St Paul de Chartres, as they came to be known, found their services being called upon throughout France, and their order consequently grew in size and reputation. In 1727, their services extended abroad when King Louis XV asked the order to send missionaries to French Guyana in South America. These days, the order is active in many countries around the world, especially in Asia and more recently here in Australia.

The sisters began their work in Australia in 1984 when they opened the Aurora College in Moss Vale, which is now a boarding school for overseas students, particularly those preparing for university. They then opened a house in Sydney to provide accommodation for students during semester breaks. In addition to this, the sisters undertake pastoral work in various surrounding parishes.

Since 1992, the sisters have successfully operated the St Paul de Chartres government-funded hostel at Boronia Heights, which has 60 beds together with 46 independent living units in the same complex. Although Boronia Heights is in the electorate of Rankin, many people from my electorate use the services provided by the sisters. For example, their hostel is very well known among members of the Chinese community in my electorate, who face real problems when trying to look after their older family relatives who have been placed in conventional nursing homes. As you would appreciate, members of the Chinese community respect and consider their relatives highly and place great importance on family involvement in geriatric care.

The hostel operated by the sisters has begun to fulfil the real need among older Chinese residents in my area, and the international work done by the sisters enables them to understand and to provide language and cultural links which are greatly appreciated. Their work for members of the Chinese community in Moreton is also supported by the Chinese Catholic Association, which provides financial assistance to nursing homes with Chinese residents.

St Catherine's Catholic parish at Wishart, which is in my electorate, is also working hard to advance the work of the sisters who are now seeking to build a 30-bed nursing home at Boronia Heights. So is Father Tom Hegerty of the parish of Our Lady of Lourdes at Sunnybank in my electorate. Such an expanded facility would be of great benefit to my constituents who, as I have said, draw on the services offered by the sisters.

I have recently written to the Minister for Family Services (Mrs Moylan) recommending to her this very worthwhile organisation. I commend the efforts of the Sisters of St Paul de Chartres and support their work. Their 300th anniversary should be noted in this House and I am glad that I have been able to do that this evening. It certainly goes without saying that I will do what I can to promote and secure necessary government funding for the new facility so that the sisters can continue to expand their range of services in Australia—but, more importantly, for the people of Moreton.

Motion (by **Mr Miles**) put:

That the question be now put.

The House divided. [5.57 p.m.]

(Mr Speaker—Hon. R. G. Halverson)

Ayes 74

Noes 41

Majority 33

AYES

Abbott, A. J.	Anderson, J. D.
Andrew, J. N.	Andrews, K. J.
Bailey, F. E.	Baldwin, R. C.
Barresi, P. A.	Bartlett, K. J.
Billson, B. F.	Bishop, B. K.
Bradford, J. W.	Broadbent, R. E.
Brough, M. T.	Cadman, A. G.

Cameron, R. A.
Cobb, M. R.
Elson, K. S.
Evans, R. D. C.
Forrest, J. A.
Gash, J.
Grace, E. J.
Hicks, N. J.*
Johnston, R.
Kelly, J. M.
Lieberman, L. S.
Lloyd, J. E.
McArthur, F. S.*
McGauran, P. J.
Miles, C. G.
Mutch, S. B.
Nehl, G. B.
Nugent, P. E.
Randall, D. J.
Ronaldson, M. J. C.
Scott, B. C.
Sinclair, I. McC.
Smith, A. C.
Somlyay, A. M.
Stone, S. N.
Taylor, W. L.
Truss, W. E.
Vale, D. S.
Williams, D. R.
Worth, P. M.

Adams, D. G. H.
Baldwin, P. J.
Brereton, L. J.
Crean, S. F.
Ellis, A. L.
Evans, M. J.
Ferguson, M. J.
Grace, E. L.*
Hollis, C.
Jones, B. O.
Latham, M. W.
Macklin, J. L.
McClelland, R. B.
McMullan, R. F.
Morris, A. A.
O'Connor, G. M.
Price, L. R.
Sawford, R. W.*
Tanner, L. J.
Thomson, K. J.
Wilton, G. S.

Howard, J. W.
Moore, J. C.
Prosser, G. D.

AYES

Causley, I. R.
Dondas, N. M.
Entsch, W. G.
Fahey, J. J.
Gambaro, T.
Georgiou, P.
Hardgrave, G. D.
Hockey, J. B.
Jull, D. F.
Kemp, D. A.
Lindsay, P. J.
Marek, P.
McDougall, G. R.
McLachlan, I. M.
Moylan, J. E.
Nairn, G. R.
Nelson, B. J.
Pyne, C. M.
Reith, P. K.
Ruddock, P. M.
Sharp, J. R.
Slipper, P. N.
Smith, W. L.
Southcott, A. J.
Sullivan, K. J.
Thomson, A. P.
Vaile, M. A.
West, A. G.
Wooldridge, M. R. L.
Zammit, P. J.

NOES

Albanese, A.
Beddall, D. P.
Brown, R. J.
Crosio, J. A.
Evans, G. J.
Ferguson, L. D. T.
Fitzgibbon, J. A.
Griffin, A. P.
Jenkins, H. A.
Kerr, D. J. C.
Lee, M. J.
Martin, S. P.
McLeay, L. B.
Melham, D.
Mossfield, F. W.
O'Keefe, N. P.
Quick, H. V.
Sercombe, R. C. G.
Theophanous, A. C.
Willis, R.

PAIRS

Beazley, K. C.
Bevis, A. R.
Smith, S. F.

* denotes teller

Question so resolved in the affirmative.

Original question put:

That the House do now adjourn.

The House divided. [6.07 p.m.]

(Mr Speaker—Hon. R. G. Halverson)

Ayes 71

Noes 41

Majority 30

AYES

- | | |
|----------------------|---------------------|
| Abbott, A. J. | Anderson, J. D. |
| Andrew, J. N. | Andrews, K. J. |
| Bailey, F. E. | Baldwin, R. C. |
| Barresi, P. A. | Bartlett, K. J. |
| Billson, B. F. | Bishop, B. K. |
| Bradford, J. W. | Cadman, A. G. |
| Cameron, R. A. | Causley, I. R. |
| Cobb, M. R. | Dondas, N. M. |
| Elson, K. S. | Entsch, W. G. |
| Evans, R. D. C. | Fahey, J. J. |
| Forrest, J. A. | Gambaro, T. |
| Gash, J. | Georgiou, P. |
| Grace, E. J. | Hardgrave, G. D. |
| Hicks, N. J.* | Hockey, J. B. |
| Johnston, R. | Jull, D. F. |
| Kelly, J. M. | Kemp, D. A. |
| Lieberman, L. S. | Lindsay, P. J. |
| Lloyd, J. E. | Marek, P. |
| McArthur, F. S.* | McDougall, G. R. |
| McGauran, P. J. | Miles, C. G. |
| Moylan, J. E. | Mutch, S. B. |
| Nairn, G. R. | Nehl, G. B. |
| Nelson, B. J. | Nugent, P. E. |
| Pyne, C. M. | Randall, D. J. |
| Reith, P. K. | Ronaldson, M. J. C. |
| Ruddock, P. M. | Scott, B. C. |
| Sharp, J. R. | Sinclair, I. McC. |
| Slipper, P. N. | Smith, A. C. |
| Smith, W. L. | Somlyay, A. M. |
| Southcott, A. J. | Stone, S. N. |
| Sullivan, K. J. | Taylor, W. L. |
| Thomson, A. P. | Truss, W. E. |
| Vaile, M. A. | Vale, D. S. |
| West, A. G. | Williams, D. R. |
| Wooldridge, M. R. L. | Worth, P. M. |
| Zammit, P. J. | |

NOES

- | | |
|-----------------|--------------------|
| Adams, D. G. H. | Albanese, A. |
| Baldwin, P. J. | Beddall, D. P. |
| Brereton, L. J. | Brown, R. J. |
| Crean, S. F. | Crosio, J. A. |
| Ellis, A. L. | Evans, G. J. |
| Evans, M. J. | Ferguson, L. D. T. |
| Ferguson, M. J. | Fitzgibbon, J. A. |

- | | |
|-------------------|--------------------|
| Grace, E. L.* | Griffin, A. P. |
| Hollis, C. | Jenkins, H. A. |
| Jones, B. O. | Kerr, D. J. C. |
| Latham, M. W. | Lee, M. J. |
| Macklin, J. L. | Martin, S. P. |
| McClelland, R. B. | McLeay, L. B. |
| McMullan, R. F. | Melham, D. |
| Morris, A. A. | Mossfield, F. W. |
| O'Connor, G. M. | O'Keefe, N. P. |
| Price, L. R. | Quick, H. V. |
| Sawford, R. W.* | Sercombe, R. C. G. |
| Tanner, L. J. | Theophanous, A. C. |
| Thomson, K. J. | Willis, R. |
| Wilton, G. S. | |

PAIRS

- | | |
|----------------|----------------|
| Howard, J. W. | Beazley, K. C. |
| Moore, J. C. | Bevis, A. R. |
| Prosser, G. D. | Smith, S. F. |

* denotes teller

Question so resolved in the affirmative.

House adjourned at 6.13 p.m.

NOTICES

The following notices were given:

Mr Jull to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed works be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Implementation of rockfall risk reduction strategies on Christmas Island.

Mr Filing to move:

That this House:

- (1) notes the current situation in aged health care has led to a "grey area" where some dementia patients are not suitably serviced by either of the available hostel or nursing home accommodation;
- (2) further notes these patients, while they require far more supervision and individual care than others, are not funded accordingly;
- (3) therefore calls on the Government to immediately alter the formula for the Personal Care Assessment Instrument to reflect the needs of patients in special dementia units and ensure access to an additional \$21.50 per day for those patients' care; and
- (4) further calls on the Government to undertake a complete review of funding for

aged care with a view to instituting a completely new system which adequately reflects the needs of all aged persons.

Mr Lee to present a bill for an act to amend the Health and Other Services (Compensation) Act 1995, and for related purposes.

Thursday, 30 May 1996

Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 10.00 a.m.

THERAPEUTIC GOODS AMENDMENT BILL 1996

Second Reading

Debate resumed from 29 May, on motion by **Dr Wooldridge**:

That the bill be now read a second time.

Mrs DE-ANNE KELLY (Dawson) (10.00 a.m.)—The Therapeutic Goods Amendment Bill 1996 was introduced in the Senate on 16 October 1995. The amendments to this bill seek to ensure that abortion drugs are not imported, trialled, registered or listed without written approval of the minister, subject to a disallowance by parliament. There is a great deal of opposition to this move. The Australian Pharmaceutical Manufacturers' Association and the Proprietary Medicines Association are opposed to this move on the basis that the Therapeutic Goods Administration requires independent, scientific and clinical assessment.

I am going to give you some background information to show how ineffective and, indeed, dangerous this independent, scientific and clinical assessment is to the lives of women in this country. As it stands, the existing scheme, the clinical trial notification scheme—CTN—requires a sponsor to notify the Therapeutic Goods Administration—TGA—of the trial of unapproved products, and to send a certificate of approval by an institutional ethics committee.

I would like to look at the cost of this. Here we have a very dangerous drug. What price would you put on the lives of Australian women? What cost does the Therapeutic Goods Administration allow for the drug to proceed to the Australian Drug Evaluation Committee and possible listing on the Australian Registry of Therapeutic Goods? What price? Would you believe \$110? So simple. But it gets even better, I am afraid. Who was the sponsor for the drug RU486? The sponsor was Professor David Healy of the Monash University Department of Obstetrics and Gynaecology. I will tell you a little more about Professor Healy later on.

In Melbourne, the approving committee was the Victorian Family Planning Ethics Committee; in Sydney, it was the New South Wales Family Planning Association. Who was in charge of conducting the trials? It gets even better, Mr Speaker, it really does.

Mr DEPUTY SPEAKER (Mr Nehl)—I appreciate the promotion, but I am Mr Deputy Speaker.

Mrs DE-ANNE KELLY—I beg your pardon, Mr Deputy Speaker. The medical director of the New South Wales Family Planning Association is also the state manager of the Sydney Centre for Reproductive Health. The organisation that is approving the trials is also the one that is running the trials. Can you imagine what would happen if the captain of the Australian cricket team was also the referee? I can assure you that we would win every game but I do not think it would be fair. This 'independent, scientific and clinical assessment' is rife with maladministration. You cannot have a trial approved and run by the same individuals.

Professor Healy—the sponsor for RU486—was also the physician involved in the human pituitary hormone given to women in the 1970s and the 1980s. You will recall that this was the hormone that was taken from cadavers and resulted in some women developing the fatal Creutzfeldt-Jakob disease. So one queries the sponsor.

But it gets even better. They are a pretty touchy lot in this independent assessment. When parliament asked the researchers for trial details and consent forms, they were told that this request was a threat to academic freedom. Perhaps they were feeling ethically challenged.

I will leave that for a moment and move on now to the particular drug in question, RU486, that this amendment bill seeks to have within the minister's authority. Generally, RU486 blocks progesterone receptors. Progesterone is a necessary hormone for the sustainability of a pregnancy. In other words, if progesterone is blocked the endometrium can no longer support the developing foetus. It starves and is sloughed off. So, first off, RU486 destroys the foetus's life but what of the mother?

RU486 is being marketed to Australian women as the morning-after pill. It is anything but that because it is only effective in a very small window of opportunity—to use such a dreadful term—between the fourth and the seventh weeks. It is not effective and is certainly not recommended for women over the age of 35 years. The reason it cannot be used as a morning-after pill is because in the early stages of pregnancy the level of progesterone has not reached a critical threshold and plainly the drug is ineffective.

RU486 is this drug that 'should be left to independent, scientific and clinical assessment'. It only works 60 per cent of the time. For those others, prostaglandin injections are needed and for a complete 95 per cent effectiveness another prostaglandin injection is needed. Finally, five per cent of all women who undergo treatment with RU486 need surgical abortion.

Let us go through what is involved for a woman who is persuaded to use this drug. Pregnancy is confirmed and RU486 is delivered under supervision. She spends 12 hours in hospital for a prostaglandin injection and possibly then will have a chemical abortion with extreme haemorrhaging. A further prostaglandin injection is required for 20 per cent of women and surgical abortion for five per cent. Finally there is an ultrasound for all those women to ensure that all the foetal material has been cleared.

I would like to read to you from a letter sent by Dr Renate Klein who is the deputy director of the Australian Women's Research Centre at Deakin University. She writes as follows:

I have documented the harm RU486 can do to women and have opposed its use in women to induce abortion. RU486 has been falsely promoted as quick, easy and hassle free. I have vigorously refuted this. RU486 requires three to five visits to a licensed abortion clinic, a number of invasive examinations and the taking of up to five drug combinations. It has a 20 to 40 per cent failure rate that necessitates use of a second drug, prostaglandin, which still results in a five per cent abortion failure rate requiring one woman in 20 to undergo a second abortion procedure. One woman has died following RU486 abortion and near deaths have since been reported. The many short-term effects include bleeding, cardiovascular problems, fatigue, abdominal pain, nausea, dizzy spells and fainting.

She goes on to cast a very severe warning:

There are unknown long-term effects due to the drug's action on the womb, ovary, adrenal glands, brain and developing embryo. The teratogenic effects of prostaglandins used with RU486 are recognised.

The director of general health in France has recommended that prostaglandins which, of course, have to be given as an injection with RU486 should only be given in the following circumstances: where there is a cardiopulmonary resuscitation unit available, where there are electrocardiographic machines and a defibrillator—in fact, almost in an intensive care unit.

This drug is presently being tested in Australia on 300 women where the consent forms are questionable. I might add that the person who questioned those forms was the previous Minister for Human Services and Health, Dr Carmen Lawrence. She said that women were

not being fully informed about drugs they had volunteered to trial. So, again, we get back to this question of the independent, scientific and clinical assessment.

We also have a situation where the body approving the trials is also the body running the trials. We have a situation where the Australian Catholic Bishops Conference has raised concerns about the way the drug was approved, its abortion nature and threat to unborn children and women.

Mr Deputy Speaker, Australia is a small market, and so you might ask, 'Why is there a push by the manufacturers of this drug to have it approved in Australia?' The answer is that vested interests want Australian approval to bolster its worldwide use, because there is a huge market out there in the Third World—in developing countries. There are not too many ultrasound machines in rural China. There are not too many hospital wards in an Indian village. There are not terribly many defibrillators in a Bangladeshi slum. There are not a lot of cardiopulmonary resuscitating machines in the Third World. So we are allowing, in Australia, the 'independent, scientific and clinical assessment' to use us to have this drug pushed, not only in Australia but also throughout the Third World where women plainly do not have access to the medical facilities needed.

This goes beyond a pro- and anti-abortion debate. It goes to public accountability. It goes to the question of parliamentary scrutiny. Plainly, this 'independent, scientific assessment' has been abused in Australia. Remember that these people need their academic freedom! Dear me! I urge those present to take abortion drugs out of the self-interested mire of the so-called independent assessors and put them under the full scrutiny of parliament, under the written approval of the minister. Mr Deputy Speaker, I leave my case with you.

Dr THEOPHANOUS (Calwell) (10.11 a.m.)— It is unfortunate that the honourable member for Dawson (Mrs De-Anne Kelly) chose—in a context in which discussion between the parties to find a compromise position on this very serious issue has been very difficult—to come in here and give a tub-thumping account of her prejudices to this drug and to the whole question of scientific evaluation. I think we ought to be careful, especially in the area of medical research, not to use the parliament to attack people's credibility, especially the credibility of people of high academic authority, unless we ourselves have backing from other medical research that contradicts the findings.

Let me first outline the history of the Therapeutic Goods Amendment Bill 1996. As the Minister for Health and Family Services (Dr Wooldridge) said in his second reading speech, this bill has had a long history. I know, because I was the one who introduced the bill—twice—in the last parliament, as Parliamentary Secretary to the Minister for Human Services and Health. On the first occasion, the bill was part of an overall health bill. The Senate, for a variety of reasons, decided that they did not want the overall health bill. So the Therapeutic Goods Amendment Bill was then split into two bills, sent back to the House of Representatives, and in September 1995 we had to deal with this aspect of it by way of a separate bill. That created a delay, as the minister pointed out in his second reading speech.

By the time the bill got to the Senate and we had to deal with this issue that was concerning Senator Harradine and others, the parliament was prorogued, and the rest is history. We now have a new government, and the new government feels obliged to reintroduce the bill, because there has been quite a lot of inconvenience created by these parliamentary delays.

I might make a bipartisan point here. While we may have some specific concerns about the issue of RU486, a very serious issue, we could have handled the matter differently and allowed the general thrust of the bill to go through last year while exempting these drugs until such time as we resolved that particular issue. In fact, what has happened is that we have ended up with a very long delay which has inconvenienced people across the whole range of therapeutic goods. That has been unfortunate, to say the least.

Having said that, it is also true to say that in the area of therapeutic goods administration this bill will be very important. It puts into place a number of administrative measures which are going to streamline and make more efficient the delivery of our services in the therapeutic goods area.

I guess some apology ought to be given to those people who have been affected by the delay in the delivery of the therapeutic goods. More than 600 people was the figure mentioned by the minister in his second reading speech as being affected by the delay. I think that is rather unfortunate. Nevertheless, we are now, hopefully, going to pass this legislation. We are going to pass it after having dealt with the controversial issue which the member for Dawson seems to have a very one-sided view about.

Let me explain some of the history as to how we have come to this point. You may recall that Senator Harradine in the Senate made it perfectly clear that he would not support the bill unless there was some provision for the minister to have direct responsibility for the testing of this particular group of drugs. I might say it is not just RU486 that we are talking about but all abortifacient drugs.

Of course, this is a controversial group of drugs. Why is it controversial? It is controversial because it deals with a controversial issue about which there can be a whole range of different opinions, the question of abortion. It touches on religious and metaphysical questions about the nature of life and death about which most of us, being mortal human beings, do not have definitive answers.

Philosophers and others have been concerned with this matter since before the time of the ancient Greeks. You would have to be a very arrogant person to think that your particular answer to some of these issues was superior to those that other people have. When we come across such difficult moral and philosophical issues what we should do is pay particular cognisance to the principles of democracy. I repeat that: we should pay particular cognisance to the principles of democracy.

Given that no-one is in a position to give definitive answers to these very deep moral and philosophical issues, we should say we respect the principles of democracy. We can have as many debates and discussions amongst ourselves as we like but in the end we should allow people the right to make a decision. In this particular case what has happened is that some people think that we should not allow people the right to make certain decisions, especially women. I think that is a mistake. The position that one has on the question of abortion is a matter of individual conscience. Therefore, it should be a matter for the individual consciences of MPs whenever the matter comes before the parliament.

However, Senator Harradine's point on this issue was that he felt that, rather than a group of officials making the decision as to whether these tests should proceed, because of the controversial nature of the issue and because of the different views on the issue, perhaps the minister should make that decision.

There is a secondary story on this that is worth talking about. Senator Harradine claimed that he had received assurances from a former Minister for Health, Senator Richardson, that this power would be transferred to the minister. When it comes to the reporting of conversations, especially pertaining to former ministers, the truth is often hard to establish. In discussing this issue, the Labor caucus decided that it would respect Senator Harradine's view of the matter that he had received assurances from Senator Richardson—notwithstanding the fact that some people felt that Senator Harradine had, in a sense, been overenthusiastic in his interpretation of what assurances he had received from Senator Richardson.

In addition to the issue itself being important, we had the other element of whether a former Labor minister had given assurances to Senator Harradine on this issue. Although there was considerable debate in the caucus about this matter, in the end we wanted to respect that principle as well. Senator Richardson is not here to speak for himself, having gone on to greener pastures, but let me just say that, whether or not those assurances were given, we respect the fact that Senator Harradine was of the view that they were given and, as a result of that, we took the view, in both the shadow ministry and the Labor caucus, that we would respect that.

Because of that, plus because many of us felt that the current Minister for Health and Family Services is a man of significant integrity on these issues, we were not concerned about the decision of approving individual groups of tests in relation to RU486. We felt that Dr Wooldridge should have that authority. As a result, the caucus voted to support the first part of Senator Harradine's amendment, which has now been agreed by all parties and has been incorporated into the legislation.

This is an example where—even over a controversial issue, on which there are, as I say, significant philosophical and moral differences—as a parliament we can achieve a positive outcome if we are prepared to show a certain amount of goodwill and discuss and try to understand other people's points of view in terms of reaching that particular compromise. I think the way the whole thing has been handled is a credit to the various negotiators from the different parties. As a result of what has happened, the bill has come before this parliament with a bipartisan approach and the issue of RU486 has been dealt with by giving that power to the minister.

I want to say a few things about the comments that have been made, especially by the member for Dawson, about RU486. No-one is saying that the result of the independent, scientific and clinical assessment—and she thinks it is some kind of joke to refer to this in the way she did—will be that RU486 is approved for use by the general public in Australia.

Just because this drug is being tested, it does not follow that it is going to be accepted. If there is some problem—and I repeat this point—if there is some problem with the testing which is scientific, we can have a look at that. Why not? I am sure that before the minister moved to a position where he was going to approve the general use of this medicine he would obviously want to have a look at the results of the tests. He would also want to get a further assessment of the results of those tests.

So in relation to the concerns of the honourable member for Dawson that somehow—the way she put it—Professor Healy's research was going to be the be-all and end-all of the matter, that would be the end of it and then we would have this drug on the market, I have to say that that is not the way things proceed. I am sure there are people who are concerned

about the medical side effects of this drug. I have been given information myself about that. But the point here is that this is a matter that involves bringing together all the medical evidence and putting it before the minister before he makes any decision about the release of the drug for general public use.

It may be that some of the concerns of the honourable member for Dawson about the side effects of the drug turn out to be true. It may be that they do not. It may be, as with many drugs, that once we have a more accurate assessment of the side effects we will be able to say to people, 'If you take these drugs, these are the side effects and these are the things that will be required. It is a question of balance as to whether you are prepared to take these risks.' After all, there are many drugs that are administered by the Therapeutic Drugs Administration which we know have side effects and which people are told about—and they make a mature decision as to whether to use them or not.

What I am saying is that it is very important that we do not end up in a situation where, in the context of this debate—and, indeed, other debates in this parliament—we try to divide this House on questions of fundamental philosophical importance about which there are very different views. In relation to the use of this medicine I believe myself that we need more medical evidence. I have not made any final decision on the matter. But I certainly think we should give the minister the right to exercise this authority, if it is a desire of this House and if it is the overall agreed opinion as to how we should proceed. That, in fact, is what has happened, as I have already mentioned. And, as a consequence, I think the final result is one which will prove satisfactory from the point of view of all concerned in this controversial issue.

So I do think, especially when questions of this kind come up before the parliament, we should be careful not to prejudge the issue and we should allow the scientific evidence to proceed. I would urge the member for Dawson to withdraw some of the comments she made about Professor Healy. It is not that I am saying that Professor Healy's conclusions are going to be the ultimate decision in this matter—there will be other medical evidence. But we should not, as a matter of principle, reflect on scientific researchers unless there is some gross scientific reason for us to do so.

The member for Dawson is a new member and I hope that she will understand that I am making these points not from the point of view of trying to attack her but from the point of view that I think we should try to achieve the best goodwill on this particular bill. I commend the bill to the House and I commend the minister and all those involved in coming to this agreed position on this difficult question.

Mrs De-Anne Kelly—I seek the indulgence of the chair to respond. I apologise for my inexperience. I will follow the previous speaker's advice and I will withdraw my comments about Professor David Healy. But I would like leave to table this document.

Leave granted.

Mr ANDREW (Wakefield) (10.31 a.m.)—I commend the member for Calwell (Dr Theophanous) on his very reasoned approach to this debate. I just indicate to him that, while I appreciate the remarks he made, I felt that his plea, which is a plea we would all understand, for this Committee—and for the House of Representatives and the Senate, for that matter—to be a place where free and open debate readily takes place was somewhat clouded by his criticism of the member for Dawson (Mrs De-Anne Kelly), who had used this chamber for that very exercise in free and open debate and to put a point of view that she has sincerely

held to, as did the member for Calwell to his. As she has indicated in her tabling remarks, it is a point of view that was being reinforced by an article written by Dr John Fleming. So, while I am grateful that the member for Calwell was not more provocative in his remarks, I did think, if I may say so, that he exercised a little righteous indignation which did not quite fit with the plea that he made for this to be a place where debate is both open and free.

He did, however, in his opening remarks indicate that the government and the opposition had agreed with an obligation that was felt by the parliament to reintroduce this bill. I have to endorse that most enthusiastically. In fact, one of the great problems with this bill is that we should not be dealing with it in 1996 but it should have been tidied and put away in 1995. I was quite certain on the last sitting day in 1995, because of the level of cooperation that I had received from the then government, that this matter would be dealt with. I well recall how in the last few moments of the Senate sitting in 1995 I was running around in Senator Crowley's office, pleading with her to delay the Senate's rising in order to have this matter progressed through the Senate and brought back to the House of Representatives. Unfortunately, that was not to happen, and I wish it had happened, because even at that stage, even on the last sitting day in 1995, there were those involved in the manufacture of therapeutic goods who were being directly disadvantaged, as conceded by the member for Calwell, by this delay.

It would be quite wrong and quite against the bipartisan nature of this debate for me to suggest that the delay was solely the fault of the previous government. I am not implying that. There were complications raised, as the member for Calwell has indicated, by the enthusiasm of some members, particularly Independents, in the Senate to use the bill for other purposes. That had provided all sorts of complications from the then government's point of view. But it must be recognised by the parliament that the delay that ensued was a delay that disadvantaged the manufacturers of therapeutic goods, particularly as they had quite confidently expected that by late last year they would have had this legislation, and even that time line would have been later than they had wanted.

As most of us are aware, though we would not have been aware in our childhood, the manufacturers of therapeutic goods simply seek to use what are very frequently naturally derived ingredients, minerals or vitamins, for the alleviating of disease, ailments or injury. I happen to have in my electorate a manufacturer of therapeutic and homoeopathic goods, a company called Brauer Biotherapies, in the well-known Barossa Valley. The Brauer company is something of a good illustration of what the Barossa Valley is all about. As you might suppose, with a name like Brauer, the company came about from the original migration of German people into the Barossa Valley and who in the early 1900s were there as the manufacturers of therapeutic goods, a then very fledging industry. Mr Brauer established a small pharmacy dispensing therapeutic goods in Tanunda in the Barossa Valley.

His son, Warren, subsequently left secondary school, went to university and received the appropriate university qualification in pharmaceuticals. He returned to the Barossa as a qualified pharmacist. Warren discovered that there was such a rapidly growing demand not only for the traditional pharmacy but also for the therapeutic goods that the Brauer family had been associated with that he relocated to a new site in Tanunda. He built a very large, modern factory, which is now one of Australia's leading therapeutic goods manufacturers.

Unfortunately, Warren died quite tragically in 1994 but not before he had been a recipient of the noted Lady Cilento award for the work that was being done in homoeopathic and

therapeutic medicines. The management of the factory was then taken over by a factory manager, Mr Mark Wuttke, who has been in constant touch with me and who is anxious to ensure that this legislation proceeds. I know the minister has had representations from Mr Wuttke as well.

It is to the credit not only of Brauer but of all therapeutic goods manufacturers—particularly those who now make up the Nutritional Foods Association—that the industry has such a good reputation in Australia. My constituents, the Brauers, have been a part of that reputation. They have a factory employing over 30 people and they not only make a real contribution to the homoeopathic and therapeutic goods industry in Australia but also make an impact on the export market. The unfortunate delay that has followed the hesitation of the last government to pass this legislation, the then—

Dr Theophanous—It was the Senate. You know that. We didn't have control of the Senate.

Mr ANDREW—I will pick up the interjection from the honourable member for Calwell in the spirit of this debate. An unfortunate delay followed the Senate's reluctance to pass this legislation. My remark is not entirely mischievously based because I spent some time being somewhat frustrated in the latter stages of the last day of the Senate sitting by the reaction of Senator Crowley's staff. As all members have conceded, that unfortunate delay has meant that over 600 applications for the supply of particular products have been delayed. That means that my constituent and other manufacturers across Australia have frequently had large stocks of product sitting in their warehouses waiting to be moved. Also, in anticipation of registration in some stocks of product, a large advertising program had been planned and money had been invested in various advertising brochures. These were unable to be released because the product was not at that stage available. As I said, it is not as though the products that were being offered were products that posed any hazard for Australians or the Australian market. In almost all instances they were simple, low risk products derived from vitamin, mineral, herbal or homoeopathic bases, some of them of a sunscreen nature.

This bill effectively accelerates the process by which these new products can be listed for registration. I am reassured that they are accelerated so that the approval time can come down to a matter of weeks—we hope as little as three weeks. Of course, that sort of approval acceleration would be of enormous benefit not only to my client but also to all manufacturers of homoeopathic and therapeutic goods.

Much of the debate has focused on Senator Harradine's amendment. I thumbed through the *Hansard* during the honourable member for Calwell's speech. I refer briefly to the comments made by the honourable member for Dobell (Mr Lee) and by Senator Woods, both of whom referred to Senator Harradine's amendments to this bill. The member for Dobell, Mr Lee, in his comments yesterday said:

One significant change in the bill is that it now includes Senator Harradine's amendment, which requires that drugs within a certain category have the specific approval of the Minister for Health.

That is the important point that is being made by the member for Calwell, and I freely concede that. Unfortunately, some people are claiming that Senator Harradine's amendment bans the trial or marketing of any drugs that fall within the particular category of abortifacients—for example, RU486. Senator Harradine's amendment should not be changed or demonised in some way. It does not ban those sorts of drugs, whatever people may feel about the worth of

such a ban. The amendment simply requires the drugs to be put in a special category, and these drugs will require direct ministerial approval for further trials or marketing. He went on to say, and I think this echoes the sentiments of the member for Calwell:

The Labor Party does not think it is unreasonable that these drugs are put in that category. It is in accordance with undertakings that were given by previous Labor ministers and we are not opposed to the measures that Senator Harradine has successfully moved in the Senate.

Similarly, I think the comments made by Senator Woods are pertinent. Senator Woods observed:

During the debate in the Senate, further amendments were moved successfully by Senator Harradine (Independent, Tasmania). Contrary to much of the publicity in the media, Senator Harradine's amendments do not ban drugs that are capable of terminating pregnancy. Nor do Senator Harradine's amendments change the process of accessing drugs that, whilst capable of terminating pregnancy, are actually intended for treatment of conditions such as cancer. Nor do Senator Harradine's amendments introduce any delay in the process through Parliamentary debate.

Under existing Australian Customs law, abortifacients are already banned imports. Previously, the decision to grant an exemption from that import ban was made by a Commonwealth public servant. Senator Harradine's amendments now ensure that the Minister will approve imports, evaluations or register entries of products intended to be used to terminate pregnancy. The evaluation process will remain the same, but approval decisions will be signed by the Minister.

Senator Harradine's amendments also ensure that these decisions are publicly accountable via the tabling of approval decisions in both Houses of Parliament. The implementation of the Minister's decision is not delayed or interrupted by the tabling process.

So I think that in many ways we share a similar view. It is a view that I believe my colleague the member for Dawson has also largely expressed while indicating her right to express the concerns that she rightly has about any pregnancy terminating drugs.

We are today dealing with what is a potential growth industry for Australia, an industry that has built its reputation for sales on being environmentally friendly, in that it seeks to derive its drugs from natural sources, an industry that has been largely represented by the recently formed Nutritional Foods Association. I conclude by indicating to the Main Committee that it was my pleasure in the last sitting fortnight to be with Mr Prosser, the Minister for Small Business and Consumer Affairs, as a guest of the Nutritional Foods Association at a dinner it hosted at the Hyatt Hotel. I make that observation simply to say that I recall descending the stairs into the Hyatt and wondering what a dinner made up of beansprouts, celery and carrot juice would really be like. I discovered, of course, that the Nutritional Foods Association, far from being a group that seeks to be alternative lifestylers, in fact, comprises people who seek simply to have us all enjoy our present lifestyle, enjoy our present food and diet, and ensure that we go as far as we are able to in exercising drug-free health care and adapting our lifestyle to minimise the possibility of disease and to maximise the prevention of disease. In that sense, I am pleased to be associated with the industry and with this bill. I join the member for Calwell in commending the bill to the House.

Dr WOOLDRIDGE (Chisholm—Minister for Health and Family Services) (10.44 a.m.)—in reply—Mr Deputy Speaker, I will be very brief in summing up. I thank honourable members for their contribution. I must say that I am very pleased to see the end of the Therapeutic Goods Amendment Bill. It has had an interesting history. I considered the original second reading speech last year for inclusion in the Australian *Guinness Book of Records*. It caused the Main Committee to have its first, and probably only, attempt to divide on an issue. It caused a constitutional debate on the splitting of the original bill and a second constitutional

debate some weeks ago about the reintroduction in another place. Even as late as last night we found a typographical error in the explanatory memorandum that completely changed the meaning of one of the sections. I hope that we now have everything correct and that this bill will go through. I would like to formally present an amendment to the explanatory memorandum that lists the typographical error and how the explanatory memorandum should read.

There is not very much for me to answer. I think it has been covered very well by honourable members. I will just very briefly comment on Senator Harradine's amendment, although I think the member for Wakefield (Mr Andrew) really said everything that I would wish to say. Senator Woods is the minister responsible for the TGA and, as the member for Wakefield said, this really does not change anything except that the delegated authority will now not be exercised by a public servant but rather by the minister responsible. The Senate will have some oversight of this. I frankly cannot see what is wrong with that and it should not change the approval process should that be what is recommended.

The shadow minister, the member for Dobell (Mr Lee), did ask about the scope and timetable for a TGA review. I can report to him that Senator Woods has met with the Deputy Secretary to the Department of Health and Family Services and with the manager of the TGA on Wednesday 29 May—yesterday—to discuss the review. The department has said it will provide Senator Woods with draft terms of reference for the review of the structure. The time frame would be that this should happen during June. Senator Woods will consult with the stakeholders as to the terms of reference and review structure before the review commences. We would expect that to happen in the next couple of months. Once again, thank you to honourable members and I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Bill—by leave—reported to the House without amendment.

Main Committee adjourned at 10.47 a.m.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Shareholdings

(Question No. 22)

Mr Rocher asked the Minister for Industry, Science and Tourism, upon notice on 1 May 1996:

Is he able to say who are the majority shareholders in (a) Tracero, (b) Dunlea Pty Ltd, (c) Gropep Pty Ltd, (d) Preston Group Pty Ltd, (e) Gene Shears Pty Ltd and (f) Bio-Coal Briquette Pty Ltd.

Mr Moore—The answer to the honourable member's question is as follows:

My Department has consulted with the Australian Securities Commission (ASC) and has received the following information about the companies named in the honourable member's question:

(a) Tracero

There is no company registered in Australia with 'Tracero' in its name. However, a partnership between the Australian Nuclear Science and Technology Organisation (ANSTO) and ICI Australia Operations Pty Ltd is registered in all States and Territories of Australia and this operates under the business name 'Tracerco Australasia'. While this business name is fully owned by ICI Australia Operations Pty Ltd, interest in the partnership is split between ANSTO (49%) and ICI Australia Operations Pty Ltd (51%).

(b) Dunlea Pty Ltd

There is no company registered in Australia with the 'Dunlea Pty Ltd'. However, there are several companies which include the word 'Dunlea' or similar. One such company is Dunlena Pty Ltd with Australian Company Number (ACN) 002 965 791. The majority shareholders in Dunlena Pty Ltd are:

Major Shareholders	Class A Shares (%)	Class B Shares (%)
Du Pont (Australia) Ltd	100.0	-
CSIRO	-	92.2
Southern Alloys Venture Pty Ltd	-	7.8

(c) Gropep Pty Ltd: ACN:008 176 298

Major Shareholders	Class ORD Shares (%)
CSIRO	35.1
Luminas	26.4
Child Health Research Institute	24.7
Dairy Research and Development Corp	13.8

(d) Preston Group Pty Ltd: ACN: 006 738 281

Major Shareholders	Class CRP1 Shares (%)	Class ORD Shares (%)	Class ORDA Shares (%)
Westpac Custodian Nominee Ltd	80.0	-	-
Western Pacific Investment Company Ltd	9.6	48.3	18.1
CSIRO	-	-	30.1
Sun Microsystems	-	11.8	16.0
Australian Pacific Technology Ltd	4.1	26.4	-
Advent Limited	6.2	-	-

(e) Gene Shears: ACN: 008 651 410

Major Shareholders	Class A Shares (%)	Class B Shares (%)	Class C Shares (%)	Class D Shares (%)
CSIRO	100.0	-	-	50.0
Groupe Limagrain Pacific Pty Ltd	-	100.0	-	50.0
Johnson and Johnson Pty Ltd	-	-	100.0	-

(f) Bio-Coal Briquette Company Ltd: ACN: 009 198 832

Major Shareholders	Class ORD Shares (%)
Taiyo Ltd	19.5
CSIRO	17.2
Schroders Australia Ltd	14.6
Rent-A-Yacht Pty Ltd	10.7
Hae-Hwan Sohn	10.2
C.M.C. Minerals Pty Ltd	8.3
Cornwell Resources Limited	5.4

Australian National Line

(Question No. 26)

Mr Rocher asked the Minister for Transport and Regional Development, upon notice, on 1 May 1996:

(1) Has the Australian National Line drawn down on its \$100 million promissory note facility; if so, by what sum.

(2) Is a draw down anticipated during 1996; if so, by what sum.

Mr Sharp—The answer to the honourable member's question is as follows:

(1) ANL has drawn down \$45 million on its promissory note facility.

(2) No, it is not anticipated that ANL will draw down on its promissory note during 1996.

Export Assistance

(Question No. 54)

Mr Jenkins asked the Minister for Industry, Science and Tourism, upon notice, on 1 May 1996:

(1) What sums were provided for export assistance (a) in 1994-95 and (b) between 1 July 1995 and 1 May 1996 to companies in Victoria.

(2) What was the (a) expenditure upon, (b) location of the recipient of and (c) purpose of each grant referred to in part (1).

Mr Moore—The answer to the honourable member's question is as follows:

Commonwealth Government assistance for exports is primarily channelled through Austrade within the Foreign Affairs and Trade portfolio. However, the Industry, Science and Tourism portfolio has a range of programs that assist companies to improve their international competitiveness. This improved international competitiveness may lead to exports or import substitution, or both. Most of the programs are delivered through AusIndustry, a jointly-funded partnership involving the Commonwealth, State and Territory Governments. The AusIndustry programs which directly impacted on exports in the period covered by the question are the Export Market Planning Program (part of the suite of enterprise improvement programs delivered by AusIndustry), the Export Access Program (which was transferred to Austrade on 1 July 1995) and the Access to Export Finance Program.

The following information is provided in respect of these three programs

1(a) \$107,000; (b) \$73,000

2(a) 1994-95 1995-96 (to 1 May)

Access to Export Finance Program Nil \$15,000

Export Market Planning Program \$107,100 \$58,000

(b) Access to Export Finance Program: There were three payments; two to one company in Hampton and one to a company in North Balwyn

Export Market Planning Program: Of the twenty companies that received payments through the State Government AusIndustry agency, eight were in the Eastern Metropolitan Region, seven were in the North Western Metropolitan Region and five were in the Southern Metropolitan Region.

(c) Under the Access to Export Finance program, in approved cases the Government will reimburse up to half the costs incurred in obtaining expert advice on options for financing an export transaction and the subsequent preparation of a proposal for export finance. The maximum reimbursement is \$5,000 for each eligible proposal.

The Export Market Planning (EMP) program is a joint AusIndustry and Austrade initiative. The program helps companies to examine whether they are ready for export markets, or to review their existing export activities, and assists the companies in developing practical export marketing plans that integrate their export activities into their overall business plans. Assistance to companies through AusIndustry is jointly funded with the State and Territory Governments, and is delivered by those Governments' agencies. All the payments were to reimburse the companies for part of the expenditure they incurred in undertaking the EMP program.

Assistance to companies under the Export Access program is primarily in the form of free advice to companies. Up to \$1,000 for each company was available in 1994-95 to reimburse costs associated with an overseas market visit, but these payments have since been terminated. If these small amounts are of interest to the honourable member, the information should now be sought through the Minister for Trade.

**Department of Administrative Services
Staff: Electoral Division of Newcastle**

(Question No. 83)

Mr Allan Morris asked the Minister for Administrative Services, upon notice, on 1 May 1996:

(1) How many staff positions in the minister's department were allocated within the electoral division of Newcastle as at 1 March 1996.

(2) How many of the positions referred to in part (1) were occupied at 1 March 1996.

(3) How many persons occupying positions referred to in part (1) were employed on a temporary basis as at 1 March 1996.

(4) Will the Minister provide a breakdown by position of the staff referred to in part (1).

(5) What was the address of each of the premises owned or leased by the Minister's Department in the electoral division of Newcastle at 1 March 1996.

Mr Jull—The answer to the honourable member's question is as follows:

- (1) 31
- (2) 29
- (3) 2

- (4) 1 x Senior Officer Grade B
- 1 x Senior Officer Grade C Valuer
- 1 x Senior Stores Supervisor Grade 1
- 1 x Valuer
- 2 x ASO 6
- 1 x General Service Officer Grade 9
- 5 x General Service Officer Grade 7
- 6 x General Service Officer Grade 6
- 9 x General Service Officers Grade 5
- 2 x ASO 3
- 2 x ASO 2

- (5) 12 Rural Drive, Sandgate NSW 2304
- Military Road, Adamstown NSW 2289
- 187 King Street, Newcastle NSW 2300
- 4th Floor, 400 Hunter Street, Newcastle NSW 2300

**Sporting Clubs and Organisations:
Commonwealth Funding**

(Question No. 105)

Mr McClelland asked the Minister for Sport, Territories and Local Government, upon notice, on 2 May 1996:

(1) What grants or other form of assistance does the Commonwealth provide to sporting clubs and organisations in the electoral division of Barton.

(2) What is the sum of the grant or substance of the other form of assistance provided with respect to each case referred to in part (1).

Mr Warwick Smith—The answer to the honourable member's question is as follows:

(1) The Sport, Territories and Local Government Portfolio is not providing any direct financial assistance to sporting clubs and organisations in the electoral division of Barton.

(2) Nil.

RAAF Williamtown: Personnel

(Question No. 150)

Mr Allan Morris asked the Minister for Defence Industry, Science and Personnel, upon notice, on 7 May 1996:

(1) How many (a) defence and (b) non-defence personnel were employed at RAAF Williamtown at 1 March 1996.

(2) Were any personnel referred to in part (1) employed on a temporary basis; if so, how many.

(3) How many non-Commonwealth employees were employed at RAAF Williamtown at 1 March 1996.

Mrs Bishop—The answer to the honourable member's question is as follows:

(1)(a) 2114 Service personnel.

(b) 154 Australian Public Service personnel.

(2) Yes. 20 Australian Public Service personnel.

(3) 102.