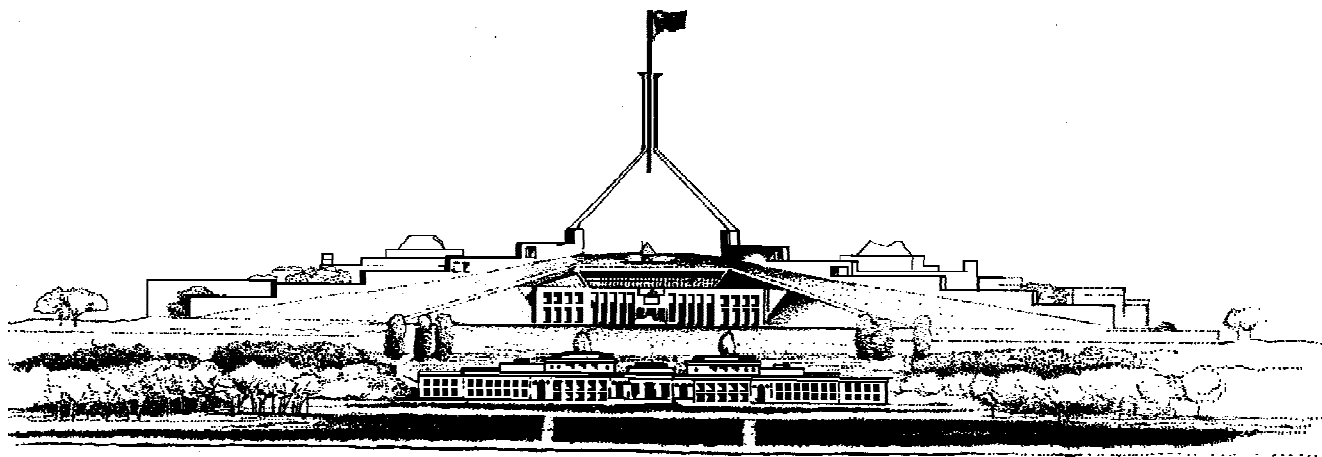




COMMONWEALTH OF AUSTRALIA
PARLIAMENTARY DEBATES



SENATE

Official Hansard

MONDAY, 2 MARCH 1998

THIRTY-EIGHTH PARLIAMENT
FIRST SESSION—SIXTH PERIOD

BY AUTHORITY OF THE SENATE
CANBERRA

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COMMONWEALTH OF AUSTRALIA
PARLIAMENTARY DEBATES

SENATE

Hansard

1998

FIRST SESSION OF THE THIRTY-EIGHTH PARLIAMENT

(SIXTH PERIOD)

The Senate, on 5 December 1997, pursuant to resolution, adjourned to Monday, 2 March 1998 at 12.30 p.m. Pursuant to that resolution the Senate met on Monday, 2 March at 12.30 p.m.

Monday, 2 March 1998

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

REPRESENTATION OF SOUTH AUSTRALIA

The PRESIDENT—I inform the Senate that I have received, through the Governor-General, from the Governor of South Australia, the original certificate of the choice of the Houses of the South Australian Parliament of Senator John Andrew Quirke to fill the vacancy caused by the resignation of Senator Dominic Foreman.

I table the certificate and related document.

**SOCIAL SECURITY LEGISLATION
AMENDMENT (YOUTH
ALLOWANCE) BILL 1997**

Second Reading

Debate resumed from 3 December 1997, on motion by **Senator Ian Campbell**:

That this bill be now read a second time.

Senator NEAL (New South Wales) (12.32 p.m.)—I am pleased to be here today and to commence the speeches on the second reading of the Social Security Legislation Amendment (Youth Allowance) Bill 1997. This is another

example of the government intending to simplify but, in fact, they are adversely affecting the people targeted within the legislation, in this case, young people—those up to the age of 21. It is pretty sad that a government that came to the parliament saying they were going to do something about youth unemployment—in fact they said they were going to do something about unemployment generally—is actually making it harder for the unemployed and, in particular, harder for young people.

They have put a number of payments together and have said that it will make things simpler. In terms of the fact that there is now only one name—the youth allowance—it is simpler. That is where the simplification stops, because in many cases the implementation of the youth allowance in fact makes it far more complex than it ever was before.

There are some minor areas where there are improvements. I would like to go to them briefly to start with. But the trade-offs are huge. Those problems are the things that we are most concerned about. There is in some cases an increased rate of payment for some young people. There is greater flexibility which allows young people to combine part-time study with jobsearch and other activities. There is an extension of rent assistance to full-time students. And there is a payment of a higher independent rate for full-time stu-

dents in de facto relationships. These things are good, and we do not have a problem with them; it is the cost to 16- and 17-year-olds who are unemployed.

In the community as a whole, young people who are not in education and are seeking work in the present economic climate brought about by this government are finding it extraordinarily difficult. Because of the environment and the training places available—and this again has been brought about by this government—they are finding it extraordinarily difficult to get training in an area that might suit them better than school. These young people, struggling to make a go of their lives and finding it very difficult, are being punished by this government.

I hark back to some of the statements made by members of the community in making submissions to the Senate community affairs committee about the effect of this bill. I cannot really state it any better than they did. I quote the National Youth Coalition for Housing, who made a submission but also sent me a letter dated 24 November last year:

The major problem with this Bill is that it has addressed inadequacies in the student payment system at the cost of reduced outcomes for unemployed adolescents (16-17 years) and unemployed young adults (18-20 years). Youth unemployment benefits have never been assessed as generous in any Parliamentary or other Inquiry or research, and if anything our young unemployed and their families deserve more, not less government assistance. It is in this context that we urge you to seek to amend the legislation.

When we do reach the committee stage of this bill, we will certainly be moving a number of amendments to try to rectify some of the uncertainties, some of the unfairnesses contained in this bill, but I am not confident that in moving amendments we can remedy all the problems that have been created, because they are many.

The first problem is that, despite the government's statement that their intention was to simplify the system, in fact they have made the system for young people incredibly complex. They have also continued the current trend of making sweeping statements but then not dealing with the matters directly

within the legislation. I am referring in particular to section 543A of the bill, which withdraws income support for 16- and 17-year-olds who leave education without completing year 12.

Of course, the community as a whole would enthusiastically say that it is better for a young person to continue their education than be unemployed. But the reality is that for many young people schooling is not the most satisfactory outcome for them or there is no schooling that is suitable for their needs and their talents. I think it is very difficult when we do not provide appropriate schooling for young people, potentially by way of an apprenticeship or a TAFE place—and we all know that the heart has been cut out of TAFE places all over Australia. We are punishing those young people by not providing them with appropriate training. Even though this bill punishes those people who have not completed year 12 and are not in full-time education, there is no guarantee, there is no reciprocal promise, on behalf of this government to provide every young person with appropriate education or training opportunities. This government often talks about reciprocal obligations. I think it is a bit rich of the government to demand this sort of commitment from young people when the government is not prepared to make the same commitment to them.

The government has stated that there will be a number of exceptions to this particular provision. We have been provided with varying amended documents, for example, the document headed *Policy guidelines—exemptions from the full-time education/training requirement for young people aged under 18*. But the documents change. I am not certain that this is the final document. Maybe when the Minister for Social Security (Senator Newman) is on her feet she can inform us whether this is the final document or not. We are told that, even though the bill contains no statement about the exemptions, we should accept this particular provision on faith that in subordinate legislation this government will put forward fair exemptions and will deal with all the difficult cases that arise in this piece of legislation.

I say on behalf of the opposition that we are not prepared to take it on faith. We do not accept that this government, some time down the track, will deal fairly with young unemployed people aged between 16 and 18 and properly deliver to them the entitlement that I think we owe them as a community, that is, to allow them to express their talents and to do as well as they possibly can in their particular circumstances. I do not think this bill addresses that problem at all. I am extraordinarily concerned that if we pass this bill without reference to or inclusion of exceptions, a lot of young people who are trying very hard to do the best that they can will be poorly dealt with.

I also have a lot of concern about the definition of when a young person is independent. There seems to me to be a little bit of uncertainty about that whole issue contained in the bill. The bill tries to define 'independence', but in fact the definition that is used for independence is not the same definition that is presently contained within the social security legislation. I am not certain why this is the case. Again, maybe the minister can enlighten us some time down the track. I would have thought that if the objective of the government is simplicity and ease for those dealing with a particular system, it would have tried to make definitions the same rather than create yet another definition—which is what appears to be the case here.

There are some minor provisions that have probably been difficulties all along, for example, the provision that both parents of a child have to be in jail for at least 10 years before the child is considered to be independent. I would have thought that a child that had both parents in jail, for whatever term, would have a great deal of trouble being supported by either parent. I suppose that is a minor problem that we will attempt to remedy with an amendment, but I think it indicates that this government has not done a particularly good job in its stated objective of making the provisions simpler and fairer. I think most people in the community would agree that if both parents of a child are in jail from one year up to 10 years, that would normally make the child independent.

There are also some provisions contained in the bill in relation to rental assistance which we are concerned about, that is, the removal of rent assistance for young people between 18 and 20 if it is stated that they do not need to live away from their parents. If a 20-year-old is living away from home but, according to the department, they do not need to live away from home, they are counted as dependent. I thought this debate was over. In Australia, 18-year-olds have had the vote for a very long time. In all sorts of ways, the Australian community accepts that when a young person turns 18 they are an adult and entitled to the rights—and, of course, accept the obligations—of becoming an adult; that they should no longer be treated as a child, treated as dependent.

The Social Security Legislation Amendment (Youth Allowance) Bill 1997 treats people between the ages of 18 and 20 as children. Is that fair when they have the obligations of an adult? They have to vote. If they sign legal contracts, they are bound by them; they cannot say, 'I am a child. I am not bound by that contract.' When they go before the courts on a criminal matter, they cannot say, 'I am a child: treat me under the juvenile legislation relating to crime. Do not treat me as an adult.'

These people are treated as adults for every purpose other than this particular legislation. Under this legislation, we are telling them that, between the ages of 18 and 20, for the purposes of the equivalent of what used to be unemployment benefits, they will be treated as a child. The opposition believes that this is fundamentally irrational and unfair. It is not reasonable.

There is also some uncertainty in relation to what full-time study actually means. There seems to be provision for what is defined as full-time study under HECS—and I suppose most people who are familiar with the HECS scheme would be aware of that. There is a definition of full-time study according to what the institution defines it as. However, there also seems to be a third definition, which is described as an alternative definition, and it is a catch-all provision which appears to be at the discretion of the secretary.

From the opposition's attempt to interpret the drafting of the legislation, it is not obvious whether it actually is a third criterion which young people have to comply with, or if they can come within that definition even if they do not comply with the first two. That is another matter which the Minister for Social Security could perhaps clarify. If it is an alternative that can stand alone as a definition and which is at the discretion of the secretary, are there guidelines? Will there be regulations? Or is it just a general provision which is determined at the whim of the particular secretary? It is certainly not clear to us.

The opposition does not believe that this bill that relates to providing a general youth allowance helps young people. We believe that, in the guise of making the system simpler, it is actually taking things away from and hurting young unemployed members of our community. When the bill goes to the committee stage, the opposition will be moving about eight or nine amendments.

We are concerned that a large proportion of what is contained in the bill is not clarified within the bill but is reliant on a consequential amendments bill. I understand that that bill was provided to the shadow minister last week. I have not seen that bill as yet. I am not arguing that you have somehow kept it secret, but is it really fair to be proceeding to debate a bill which relies on a lot of material contained in a consequential amendments bill which has been available for less than a week? Is it fair to debate the bill when it relies on a lot of subordinate legislation which is not yet available?

I find this trend extraordinarily disturbing. It was done with the child-care payments bill as well, where an attempt was made to debate the bill without the availability of the subordinate legislation on the basis of faith that, some time down the track, we would see it and, in some cases, they would be disallowable. Again, in the case of the Social Security Legislation Amendment (Youth Allowance) Bill 1997, the primary bill that we are debating at the moment has been available for some time. The Senate standing committee on community affairs has had the opportunity to

examine this bill and to hear a lot of concerns put by people in the community, particularly those who deal with young unemployed people.

However, in determining its priorities, the government did not see fit to finalise a consequential amendments bill. From a quick examination of the pile of paper that comprises that bill, it seems to be about three times larger than the primary bill. That seems rather peculiar. I understand that the Democrats and the Greens have also expressed some concern about this procedure. We may need to defer consideration of the committee stage, but I think that is a matter that is still to be determined. We do not believe that this bill is fair. We do not believe it is fair to young people, and we certainly do not believe it is proper. (*Time expired*)

Senator CARR (Victoria) (12.52 p.m.)—The Social Security Legislation Amendment (Youth Allowance) Bill 1997 before us calls on the Senate to support the government's intentions to change the payments to young Australians. On the one hand, the government seeks to provide a more simplified regime with some five allowances for young Australians being reduced to one; and, on the other hand, the government claims that it is seeking to encourage people to spend more time at school and TAFE colleges and that we should as a country be seeking to encourage a higher level of retention in our educational institutions.

I would suggest to you that, on the surface of it, they are very worthy objectives. The problem for me, however, is that, when you examine the detail of what the government is proposing, you soon establish that the government has not thought through the implications of its policies. That is a matter of great concern to me. What we are talking about here are measures that will directly affect some 27,000 young Australians—27,000 is the best guess that the department has come up—who are some of the most disadvantaged and vulnerable members of our community.

What this government has done is introduce measures to force people back into schools and into TAFE colleges without the resources to sustain that policy initiative. I find it an

extraordinary proposition that this government should be seeking to institute policy of this significance without the funding to sustain that policy. It is a cost shifting exercise from the Commonwealth to the states which will effectively force back onto the states and onto Australian families an obligation which should rightfully be defended by the state itself by which, in this context, I mean the Commonwealth government. It is the Commonwealth government that ought to be sustaining its obligations to the young people of this country.

What we have is a noble policy in some respects which is being supported by ignoble means. It is a policy which is essentially trying to shift away responsibilities that should rightfully be those of the Commonwealth to become the responsibilities of the states which do not have the resources to sustain these policy initiatives and to poor families in particular who do not have the resources to sustain the policy initiatives proposed by this government.

It seems to me that the implications of this policy have not been thought through carefully. They are very serious for this parliament. On the one hand, you have an option that all young Australians, 16- and 17-year-olds in particular, should be encouraged to take on further schooling, which is a measure I support. I do not support a proposition that sees the states, which have sustained cuts to their educational programs at a state level for many years now and in particular to the TAFE colleges reduction which have seen the reduction in the states' capacity to fund those programs, having higher levels of demand being imposed on them by the Commonwealth but which are not supported by Commonwealth funding.

Two years ago we saw the claims being made by this government that they were 60,000 places short in our TAFE colleges across the country, and that is based on figures that are now two years old. There was a waiting list of some 60,000 people who wanted to get into our TAFE colleges. Yet here we have a government that is not going to provide the states with additional money to support those arrangements but it is going to

implement a new policy of what they call growth through efficiencies. This means that the states are required to fund additional growth which would normally occur in the TAFE institutions as a result of economic activity as the various enterprises rightfully insist upon higher levels of training for their workers.

We have commitments such as this—there is a whole series of others that I could point to—which highlight the fact that the Commonwealth is not providing additional resources to meet that normal growth in demand from the economy as it stands. And on top of that the Commonwealth government is imposing additional burdens which cannot be met by the TAFE colleges.

Similar arguments also apply to schools education. What we are seeing there is the Commonwealth introducing policy initiatives, such as the enrolment benchmark adjustment, which is seeing resources taken out of public education and given to private education. It is not the private schools who are going to be picking up these additional students; it is the public education system that will be required to meet the demands.

The second flawed policy assumption that is inherent in this proposition is that the government has an expectation that families should take greater responsibility for the support of young people. It is a recent historical development that says that individual families are required to fund and to maintain the income of children when they move into adulthood. This is a new policy initiative that says for the first time in this country's history that everybody ought to be able to support their kids into early adulthood.

It would be all very well if that were possible—and this is where the hypocrisy comes in—but it is a morality that is essentially dependent upon an extraordinary view that all Australians are well off. It is all right for the affluent to say, 'Yes, I can sustain the lifestyle of young adult children because we have the money to do it.' But it is not so easy for the hundreds of thousands of ordinary working people in this country that just do not have the resources to do that. There is an expectation by this government that they will,

which is a further withdrawal of this government's proper and legitimate responsibilities to people on low incomes.

You do not see an assumption being made—up until this government's election—that people up to the age of 25 ought to be supported by their parents. You do not have a recognition that many parents simply cannot do that because, despite their intentions and despite their desires, they simply do not have the resources to do it. Many parents in this country are flat out providing for their children at primary school to meet the fees and charges and expenses of participating in public education at primary school, let alone the suggestion that parents should be supporting their children up until the age of 25. That is an inherent proposition advanced by this bill.

What you see in this legislation is the inherent presumption that, despite the fact that there has been a collapse in the youth job market, everybody ought to be able to find a job—that is the unstated presumption. If they cannot find a job, then they should be able to get a spot at either a school or a TAFE college. I have already dealt with the fact that the facilities are not available in our schools and TAFE colleges as a result of this government's actions—and the actions of many governments over many years—in cutting back resources to our public education system. But to add insult to injury is to suggest that, if you cannot find a spot at a TAFE college or a school, then somehow or other it is your fault that you have not been able to get a job and that you should be punished accordingly for it.

It has been claimed that retention rates have been increasing in recent times. That is not the case. Retention rates in recent times have actually been falling in this country as a result of the policies of various governments, as I have indicated, in cutting back resources to the public educational institutions of this country. It ought not be assumed that the resources are, in fact, available.

A recent survey was undertaken through the COAG process which highlighted, for instance, my state. Victoria has seen an ideological obsession by the conservative govern-

ment under Jeff Kennett to actually reduce the public resources available for public education. We have seen an assumption being made there that the schools can actually do without the resources. The figures are quite clear. According to the COAG figures, education spending per head in the time rose by 15 per cent in New South Wales, by 29 per cent in Queensland and by 29 per cent in Western Australia. On an adjusted needs basis, Victorian education spending fell from nine per cent above the national average in 1991-92 to four per cent below it in 1996-97. In that same period, spending on TAFE colleges, in particular in Victoria, has been reduced by 22 per cent.

Of course, Victoria is the state which this government holds up as the most efficient. It is the system which the whole country should emulate, according to this government, when it comes to spending on TAFE colleges. It is the cheapest state, you say. Therefore, it is the most efficient. In fact, it has one of the poorest qualities in the state on many measures, but it is a policy which you are expecting the whole country to emulate and it is a policy which is found completely wanting in terms of providing for the people of that state.

Recently in a MCEETYA meeting, the government of Victoria actually drew that to your attention—irony of ironies that it actually woke up. The Victorian government, in its own submission, highlighted the implications of the Commonwealth policy of cost shifting to the states and to the poor families of this country. The submission stated:

Education and training programs appropriate to the needs of the returnees and retainees are likely to require significant modification from standard arrangements and curricula.

It went on to say that there would have to be specific needs met for Australian students who were being forced back into the schools because the particular students at which this measure was aimed often had the lowest levels of literacy and numeracy. They had low self-esteem. They had behavioural problems and they had a difficult home environment. These are all reasons related to poverty, related to the social environment in which they live, and directly related to why they

were not in school to begin with. Yet this government has not provided the adequate resources to meet those needs. The submission went on to say:

The majority of these students will not have the skills without significant transitional assistance to complete a normal VCE or VET in Schools program, and many may regard their return to school merely as a necessity for receiving benefits. Many of these students will require higher levels of support from specialist school and external staff, and other government agencies. They will present a major challenge for Principals, teachers and School Councils.

What is the government's response? The government's response is to provide next to nothing to support the initiatives that they themselves are taking. The point the Victorians made is:

Although the Commonwealth has made massive reductions in Labour Market Programs, it has not to date shown any willingness to face the problem of direct transfer of costs caused by its policy change on State, Territory and non-government school providers. There have been discussions on extra funds for programs to deal with the transition costs of handling returnees . . .

And so it goes on.

They identify that additional places will cost about \$7,000 each. The government acknowledges that 27,000 extra spots are required. The states, both Queensland and Victoria, are highlighting that it will cost about \$7,000 a place. You add up those figures and you get about \$189 million on the states claim of what is required to meet the legitimate expenses associated with this program.

You may quibble with whether or not it is \$7,000 a spot or otherwise. What you cannot quibble with is the fact that providing no more than the normal supplementation payments that would follow any student rejoining a school is going to be nowhere near enough to meet the demands placed upon the schools and the TAFE colleges of this country as a direct result of this government's actions.

I say that because the Department of Employment, Education, Training and Youth Affairs made exactly that point in a cabinet submission last August. What did it say was required? It said \$140 million was required.

What did this government do? It sat on that submission for about eight months, not knowing how to respond to the enormous problems that this government itself had created. According to the submission, Dr Kemp at the time sought an extra \$60 million for the jobs pathway program to bypass the states to provide job brokers for individual schools. He sought \$24 million to develop industry training based initiatives. He sought \$10 million to revive labour market programs. He sought \$40 million to provide preparatory training for apprentices and trainees—a package of \$116 million to \$140 million over four years.

What did the government announce? On 28 January this year it has put in a measly \$42 million over three years. That leaves the schools and the TAFE colleges of this country at least \$100 million short-changed by this government. If you combine it with all the other measures this government is taking in its education policy initiatives, you will see that these figures add upon add in terms of the amounts of money that are required to actually meet the initiatives the Commonwealth is now imposing upon the states.

I can understand governments complaining about cost shifting, and I can particularly understand the Commonwealth complaining about the states cost shifting from the states to the Commonwealth, but I think here is now undoubtedly a case where the Commonwealth is cost shifting to the states and to the poorer families of this society. That is a deplorable situation.

What you have, frankly, is a proposition that I think this parliament has to acknowledge is totally inadequate. What you have is a proposition that sees an initiative announced by this government without the proper funding basis to sustain it. What you see here is no understanding of the social implications of its policy. I pressed through the estimates on numerous occasions for a detailed breakdown of the department's estimates of the likely geographical spread of the persons forced to return to school and TAFE colleges. Have they come up with one yet? They have not got one, have they? I put it to you, Senator Newman, to ask your officials: where is the

regional breakdown of the impact of this policy? You will find they have not got one.

They are relying upon the states to tell you. We can tell you in generic terms, for instance, that there will be, from memory, an estimated 6,000 students in Victoria returning to the school system arising from the Commonwealth youth allowance—which the Victorians claim will leave them \$40 million short. That is your best estimate. I defy you to tell me that I am wrong.

Essentially, the government has not thought through the implications of its policy. It does not have the administrative machinery in place to defend the positions that it is putting. It has not got the administrative machinery in place to highlight the enormous anomalies that have arisen in this legislation in terms of basic questions such as: what is the meaning of 'independence'? It does not have that sorted out. Essentially we have a government that is trying to appeal to the worst elements of social stigmas about the way in which this country should be run, the sort of people who are entitled to social security payments, and the way in which society should treat the weaker members of this community.

What we have here is a government that thinks of easy fixes: 'We just transfer responsibilities to the state and forget about them. We transfer legitimate responsibilities of the Commonwealth to ordinary working families and then say, "That is your problem." Forget the social consequences. We slash and burn labour market programs. We take some \$4.2 billion out of the DEETYA budget. We reduce DEETYA in terms of its commitment to whole of government expenditure from about 11.1 per cent down to 8.7 per cent in the space of three years.' That is an unprecedented reduction in the level of Commonwealth commitment, and I say a reduction in the level of commitment.

You then see an expectation that other people will pick up the pieces. What you have got here is a government that essentially does not care. It does not think through the implications of its policy. It certainly does not provide the resources to sustain the social implications of its policies. This is not just me saying this; it is the government's own cabi-

net submission. Its own cabinet submission acknowledges the weakness of its own position.

The government is saying that the weakest members of our community can fend for themselves. You are going to deprive those people of their legitimate benefits—and some 45,000 people will be worse off as a result of these initiatives. You are saying that they should do with less and that the Commonwealth will not provide the resources to support their legitimate claims for education and training and that they are going to have to fend for themselves.

This highlights the fact that the early school leavers who do not want to be at school—there are very good reasons why they do not want to be at school such as because the school system has failed them—are going to be forced back into that school system that has failed them without the resources to actually do anything about their predicament. That strikes me as a proposition that this parliament cannot take lightly. It strikes me that this government has let down 27,000 young Australians and let them down very badly.

I repeat that what you are trying to do may well have some noble intention in terms of trying to encourage people to stay on at school—a sentiment that I do support. But I do not support the miserable meanness and the extraordinary contempt that you are showing for poor people in this country, for people who are less well off, and the expectation that working people have got to live like the wealthy—if they have got the money, they can sustain their kids until they are 25. If they cannot, they are somehow or other lesser human beings.

That is an appalling attitude to take. It is an action this government ought to be condemned for. Frankly, the proposition that you will force 27,000 people back into our schools and TAFE colleges without the support necessary to sustain those schools and TAFE colleges equally ought to be condemned.

Senator GIBBS (Queensland) (1.11 p.m.)—This government stands condemned for seeking to introduce more measures which disadvantage our young people. This Social

Security Legislation Amendment (Youth Allowance) Bill 1997 joins a long queue of other actions undertaken by the government which prevent our young people from reaching their full potential. Look at the removal of income support, stagnant youth unemployment, increasing long-term unemployment, the abolition of labour market programs and increased fees for higher education. This government has also failed to provide young Australians with jobs and the education and training alternatives they need which would make income support payments redundant.

The bill proposes to amend the Social Security Act 1991 to give effect to a new social security payment to be known as the youth allowance, which, if adopted, will come into effect from 1 July 1998. I know that to the uninitiated this bill may well have a simplistic appeal. Unfortunately, solutions to the problems facing our young people are not simple. If they were, they would have been resolved by now. Even with the best intentions in the world, parents of young adults and people who work with young people know that the proposals outlined in this bill cannot work and, worse, are not in the best interests of young adults.

The government's proposal to abolish unemployment benefits for young Australians coupled with the massive slash and burn of training and educational opportunities for them is a complete abrogation of its responsibilities to a vulnerable group of people in our society. Education has become the basis of opportunity in our society. Education is not only a catalyst for new forms of economic and technological progress but also the means by which each individual can develop skills to adapt and to reach their full potential. The government has failed to provide additional funding for sufficient relevant school or post-school education which would encourage these young people to participate in lifelong learning.

The mania with small government and the belief that the public provision of services is bad are quite inconceivable given the large number of young people who will be placed at risk. Winding back the role of government is the wrong approach. Instead, we should be

creating new opportunities through the possibilities of education and training geared towards the needs of a diverse group of people. Once again, the government is about short-term measures to save money, and it is some of the most vulnerable in our society and their families who will be expected to pay that price.

Young adults aged 18 to 20 years who are looking for work are independent and should not be forced by the imposition of a parental income assets and actual means test to rely on their families, especially their low income families, for support. What the government is actually proposing is that families with children between 16 and 18 who are not in full-time training or education—although it must be remembered that there is a shortfall of places here to the tune of about 30,000—look after these young adults themselves.

Such an approach ignores the reality for many families with young adults between 16 and 18 who have not achieved what they would have hoped for through our education system, who may have a learning disability, or who are unable to get a job because this government has failed to address our youth unemployment problem. Latest figures in this area show the Howard government is going backwards despite lower participation rates.

Youth allowance arrangements will hurt low income families. It takes income support away from 16- and 17-year-olds who are looking for work if they have not finished year 12 and reduces payments to unemployed 18- to 20-year-olds by introducing a parental means test. While we welcome increased basic rates of pay for some, extension of rate assistance to some and use of the youth allowance activity agreements to allow flexible combinations of education, jobsearch and other productive activity, there is an implicit assumption throughout this bill that such families should take care of their own and that they are in fact in a position to do so. It fails to understand the reality that many families are not in a financial position to do so and that young adults seeking to obtain their independence will be prevented from doing so.

If this bill passes through the Senate an estimated 27,000 unemployed 16- and 17-

year-olds will be forced back to school next year. Those 16- and 17-year-olds who are forced to stay at school because they have no other income support options may prove to be unruly and disruptive. In addition, the impact of these new enrolments will not be felt uniformly, but will be most concentrated in areas of high youth unemployment—for obvious reasons.

We know that residential location has become the most reliable indicator of a person's educational achievement and lifelong opportunities. Forcing young people who do not want to be there back into schools in areas of high youth unemployment can only exacerbate the growing problem of an educational underclass.

The Howard government will need to provide additional school resources to cope with this influx of people, many of whom may not really want to be there. Unless additional funding is forthcoming, an estimated \$140 million in existing programs in the areas of vocational training, computer technology and literacy programs will need to be cut. The receipt of income support should be tied to participation in a range of alternative activities—not just school education—which would help young people to get work and reach their full potential.

I contrast the approach of this government with that of Tony Blair's government in Britain where his priorities are education, education and education. The massive cuts made in the education sector are only exacerbating the problems for young people. A cut of \$270 million to government schools through the enrolment benchmark adjustment, coupled with a further cut indirectly through the Commonwealth's reduction of financial assistance grants to the states and territories, means that the funding necessary to support the influx of students who will not be eligible for social security payments will not be there. These cuts come at the worst possible time for our young people and our economy and go to the heart of the fundamental nature of our society itself. If society is to be judged by the way it treats its young people then we will be judged harshly indeed.

The Australian Labor Party is not opposed to the simplification of income support arrangements, but we do not support such arrangements when they are to be implemented at the expense of young people in our society, especially when this is being done dishonestly under the guise that it is good for you. Good for whom, we may well ask.

Dr Kemp's ill-considered comments about sending a message to 16- and 17-year-olds that they should stay at school ignores the reality for many young people who leave school for reasons other than short-term monetary gain. Young adults of that age leave school because of family, emotional difficulties and social disadvantage, or because they are not well suited to the school environment. These are the very reasons they need extra support, including income support. They certainly do not need extra pressure being put on them by this government if it gets its own way. Taking money away from people does nothing to address the causes of these problems.

Young people in schools need proper, work oriented careers education and work experience opportunities, as well as bridging school to work transition programs. The Australian Labor Party believes this strongly. We established in 1995 the jobs pathway guarantee program, which was piloted in schools in regions of highest youth unemployment to do something about unemployment. While the Howard government has revamped this program, there are other signs of neglect by the government, such as poor funding for vocational education and training in schools and a disregard for school based apprenticeships.

Our first priority should be to invest in the skills of our people. It is vital that, as we move forward into the 21st century, all young Australians have a range of education and training options available to them to cater for their specific needs. It is also important that we remember that young people are not a homogenous group, that they are a diverse population with diverse needs, and that that must be reflected in our education system.

I strongly urge the government to reinstate and expand the students at risk program, which was specifically designed to identify

and assist young people at risk of leaving school early; to restore the specific equity programs for disadvantaged schools, with a commitment to additional resources and Labor's initiative for a parents as educators program; to guarantee funding for the jobs pathway program beyond the current fiscal year—the facilitation of school and industry partnerships at a local level is an important way of assisting the schools most likely to be affected by the youth allowance; and to resume the pattern of growth funding for TAFE established under the previous government so that current unmet demand, as well as new student demand as a result of the youth allowance, can be met.

I urge the government to amend clause 543A, minimum age for youth allowance, to remove requirements for an under 18-year-old to be in full-time education or to have finished year 12—the exemptions touted by the government are to be determined by the secretary and are not subject to parliamentary scrutiny; to amend clause 1067A, which provides a definition of when a young person is to be regarded as independent, to restore current arrangements for young unemployed people who are a member of a couple; to amend module B, which sets out the various maximum rates of youth allowance, to ensure that all rates of payment are indexed six-monthly in line with increases in the CPI; and to amend modules E, F and G to ensure that parental assets, income and actual means, respectively, are not taken into account if a person is aged 18 or over and not a full-time student.

Denying young people access to income support at times in their lives when they are at their most vulnerable is not a blueprint for social cohesion. It is in fact a recipe for further frustration and will only add to the numerous difficulties confronting disadvantaged youth.

Senator DENMAN (Tasmania) (1.24 p.m.)—I rise to speak to this bill because of concerns I have. For the majority of our young, aged 16 and 17, who for a whole plethora of reasons are dissatisfied, depressed or anxious, to the stage that they do not want to continue their education, this bill will bring

about a period of utter despair. For a small number, who initially contemplated bringing a halt to their education but who will be compelled to continue in order to access the youth training allowance, the extra two years of schooling will bring rewards and benefits. But, as I have said, many will suffer under the changes proposed.

Don't get me wrong: I and the Labor Party acknowledge the intrinsic worth of staying on at least until year 12. There will be some winners from this measure. Young adults will reap the rewards from staying on. Some need extra assistance now, and some will have a second crack at education, not by being compelled but because they have a more mature outlook. It is the losers under this scheme that I am concerned about. Those children who drop out at years 8 and 9—I am really concerned about them and their parents under this scheme, and we get a high proportion of those on the north-west coast of Tasmania where I live. Many still will experience probably a further two years of humiliation, while others will drop out of the education system altogether, again putting extra burden on those low income families.

For many of our young who will be affected by the withdrawal of the youth training allowance, this will be one of the first incursions in their life where the big government cane will be wielded. The federal government is saying, under this bill, to our young people that there is only one course that it approves of and that should be taken in moving into adulthood. If you do not take that choice then you are on your own. What a wonderful message this government is sending our 16- and 17-year-olds. It is not a great start to life for many of those affected under this bill and they will have this government to thank for that.

On another note, I am sure there are some very edgy teachers in colleges within my home state of Tasmania who realise the difficulties that are going to flow from these changes. Many teachers understand that placing the shackles on a young person for two years to follow a pathway that they abhor, and in most cases are unsuited for, will do little good. It is going to be very difficult

for those teachers. I do not envy them the task ahead if this legislation is passed. I am very hopeful that some good work will be done. The high national profile of vocational education in schools enjoyed by Tasmanian colleges is a clear indicator of the state's capacity to make a difference to the motivation and aspiration of youth.

The problem is that our Tasmanian colleges will have an influx of youth who will, for many reasons, not want to be where they are. But this bill does not just involve 16- and 17-year-olds, but moves on to 18- to 20-year-olds. The 18- to 20-year-olds who are unemployed will be assessed for benefits on their parental income and assets. That will add to the feeling of guilt for a lot of those young people. I have a letter here that I would like to quote from. It is from a principal of a college in Tasmania and he says:

There is some considerable merit in these new financial arrangements for young people.

However the introduction of the new arrangements at the start of the next financial year will create considerable difficulties in Tasmania where the organisation of secondary education is different to most mainland states. Colleges can expect an influx of students over halfway through the teaching year requiring places in college courses. This simply is impractical as students, many alienated from schooling, will be endeavouring to enter courses six months after they have started. The likelihood of student success in such circumstances is minimal.

It goes on but I will not quote further. Students complete the application form to enrol to vote, and they are legally recognised as adults across the board, but this government says that if you are living in a family with an income of \$23,400 per annum, then you will have your payments reduced. That will turn out to be a pressure cooker environment for families who are struggling to survive. Again, a lot of those families in Tasmania are on the north-west coast where I live.

That period from 16 to 21 years of age is not an easy period as one starts to establish independence, and family tensions can mount even with very little outside pressure. What this government is doing is just piling on more pressure. They are placing more hurdles for our young to jump over and in turn creating ructions that will end in more human

tragedy and breakdown. I think it will lead to a feeling of guilt for some of our young who are struggling to find independence and they will believe they are a continuing burden on their families. So for 16 or 17-year-olds it is out of the frying pan into the fire when you reach 18.

I would be a little upset if I were a young person of, say, 16 or 18 living in my region of the north-west coast of Tasmania. I can assure you that if this legislation gets up without major amendments being passed all and sundry within my region will be alerted to these harsh changes. The north-west coast of Tasmania has massive youth unemployment, and young people, scattered and living in small hamlets and country towns with diminishing prospects, deserve something pretty big in return if such changes are going to be made.

Senator Newman—And they are unskilled.

Senator DENMAN—Yes, I realise they are unskilled but they come from poorer socio-economic families who do not want their children to go on to further education.

Senator Newman—These are the very kids who will get great help.

Senator DENMAN—They are getting nothing for the hurt they are enduring as a result of the \$160 million that has been ripped out of the state economy thanks to the likes of the local federal member for Braddon, Mr Miles.

Senator Newman—On a point of order: Senator Denman has just reflected on one of our colleagues in the other House in a way which is both unfair and also undeserved. I ask that she retract it.

The ACTING DEPUTY PRESIDENT (Senator Murphy)—I do not think there is a point of order.

Senator Newman—It is a reflection.

Senator DENMAN—It is not in my view a reflection that is unparliamentary and that seeks to make an accusation against the member of the other House in a way that ought to be withdrawn.

Senator DENMAN—Thank you, Mr Acting Deputy President. I quote from an

editorial from one of Australia's largest regional newspapers, the *Advocate*. It says:

Mr Miles, in particular, is representing an electorate which is screaming out for new investment, businesses and employment opportunities to stop the flow of its young across Bass Strait.

The editorial goes on:

While the North West—a regional area Mr Howard promised would be looked after—cannot expect governments to bail it out with a constant flow of direct funding, if there is Federal money available for job creation projects then there can be no electorate more in need of it than Braddon.

They are very badly needed. What reciprocal arrangement is being put in place by the federal Liberal government when you have comments like that from one of Australia's largest regional newspapers? This bill would not be such a blatant example of the abandoning of the poorer members and families of our society if they were reciprocating in some way, but they are not. It is all take and nothing in return. That is what I am witnessing back home.

With this bill the government is fiddling around with the indexation of the youth allowance. Once you are in receipt of it, then expect little change to the allowance while the price of goods and services go up. The indexation period is proposed to be extended under this bill from six to 12 months. I mention this because it is a little rich that this government is hounding our young so early in their lives when they have not got the decency to provide something in return. Our young are leaving Tasmania and on top of that the government is introducing a measure where Australia's young will get no protection and no support.

This legislation is hypocritical. Compare it with the comments that have flowed again from the member for Braddon over the years about how important the family is in building a strong society. I cannot fathom how this legislation does one iota of good for addressing homelessness or keeping families together. These views do not wash when the government is fiddling with social policy for savings of dollars alone.

Finally, much has been said about the initiatives that have been introduced by the

federal government that in supplementing this bill they will meet the needs of young people under 18 returning to full-time education. I am not yet convinced that those programs will make one scrap of difference over the next three years in my home state of Tasmania.

Senator LUNDY (Australian Capital Territory) (1.35 p.m.)—I would like to briefly outline why the government's amendments will only exacerbate the plight of young Australians. The government measures contained in the Social Security Legislation Amendment (Youth Allowance) Bill 1997 will only complicate the system of payments to young people, despite the government's claim that it is an exercise in simplification. What we are seeing is another failure, another stalled reform process for young Australians. In almost every aspect of policy dealing with youth we find a policy limbo land, and this is yet another example of that. We find inactivity that spells out a lack of care and a lack of concern for the plight of young people seeking jobs or, indeed, seeking further education.

My office, like those of many of my colleagues, has received many calls and visits by parents and young people confused and bitter about how the Liberals are treating them. What they did to older Australians they are now doing to young Australians. What young people need is increased legislative flexibility, a system that recognises the difference between full and part-time students, young unemployed and those in training or, indeed, those undertaking the blend of each of those areas that suits their life and their lifestyle best.

It is impossible for this to happen under the current government regime because of the massive cuts to vocational training and education generally. What we have seen is the greatest inconsistency in a very long time of the application of government policy relating to youth. On the one hand this government has implemented massive funding cuts to universities, massive changes to the support and funding of secondary and primary schools, a changing of the relationship between the way the Commonwealth supports those public school places and a general

diminution of the standards of education in this country.

On the other hand what we have is a denial of the support for those who do not have the opportunity to enter that educational system. Here, certainly with the proposed cuts for 16- to 17-year-olds and the change in status for 16- to 20-year-olds, we have a double whammy for the youth of Australia. You would think on the one hand that in denying that support for those outside the educational system you would have a corresponding increase or boost in the educational opportunities presented to young people, but, no, not with this government. They decide to wipe out both of those areas of support.

The reality out there is that there are many families and young people who have different situations. The support schemes that evolved under Labor through social security, through Austudy and the various support provided by the department of education and training evolved in response to the community's needs. For all the criticism they have received, those services were a direct response to the needs of the community. Their value was in their diversity. That should be seen as a strength, as opposed to something that needs to be rectified.

Yes, it presents administrative challenges and, yes, we have seen how incompetent this government is in managing changes to the legislation and the way these services are delivered. Perhaps that is why one of the fundamental arguments underpinning the government's case is a simplification of payments. We know they have trouble getting those right, as we learnt with Austudy. In other words, with all of these reasons, what we are trying to extract through our amendments from this government is a compassionate base for their policies relating to young people. Too often the government's arguments—and you will hear them, I am sure, very shortly—are based on the fact that they need to force young people to take on greater responsibilities, for their families to take on greater responsibilities. That is not about compassion. It is about an imposition, an unrealistic imposition on youth and their

families in non-recognition of their circumstances.

I for one can speak for the fact that many young Australians find it either in themselves or in their circumstance to leave home when they are quite young. I left home when I was 16, for a whole range of reasons. Because it was quite a while ago now, I was lucky enough to get a job. Yes, it was seen as an unskilled area, but I was lucky enough to get a job. These days people are not so lucky. They are not so lucky because they have a government which does not care about youth employment, which does not care about providing decent educational opportunity and which is inconsistent across the policy platform when it comes to cutting education, cutting support and underpinning that with a very dry and a very uncompassionate approach to policy making.

I find it difficult to justify how the legal obligations for being an adult, including such things as when you vote and when you are eligible to pay for child support, begin at 18, along with many other responsibilities. So at 18 years old you are old enough to give a lot but when it comes to your status as an independent the age limit is raised to 21. So it is okay to reduce the age where young people are required to give but when it comes to a question of having to take a bit, perhaps because of the direct failings of government policy in other areas, that age limit rises to 21.

This bill will make it much more difficult for young people to meet the requirements for being independent. You cannot assume that families are in a financial position to support their adult children, particularly when the parental means test begins at just \$23,400. This component of the bill assumes a moral and even an emotional relationship is in place even though no such legal status exists. If you are a young person and you wish to live away from home to study or to work or you have to because you cannot find work in the vicinity of your home or your study is in an area that takes you somewhere else, then barriers have been raised to stop that. Specific barriers are raised in this bill to stop those

options and to close those doors for young people.

I want to turn briefly to the areas that the government has identified as the main aims of their legislation. One of their main aims is, as I said previously, to 'reduce the complexity and duplication, creating a more flexible income support system'—words from their explanatory memorandum. I think it is more likely to be the opposite. A reduction in complexity is a reduction in the range of services available to serve the needs of youth. In relation to a more flexible income support system, that is a worry. Senator Denman already raised the issue of lack of indexation. We know from this government that it is a pattern for them to consolidate a particular service or an allowance and use that as the basis from which to put forward quite simplistic cuts at the next budget round. So I think there are great dangers in what this government glibly calls simplification and reduction of complexity. I challenge the fact that it creates a more flexible support system.

Their next main point—reducing the number of different rates of payments and addressing concerns relating to the fragmentation of income support—again is harping on the issue of flexibility. As I said before, the reason it has been necessary to have such a wide range of services is as a direct response to the needs of the community. Whether this government like it or not, they cannot sit over there and determine on behalf of Australians what their situation is, box them neatly into categories and then address their legislation for it. It just does not work like that. Governments have to be responsive and they have to listen to what is going on out there and how people need the government's support.

The efforts by this government to embark on social engineering exercises are well traversed in other policy areas, such as child care and aged persons care. Here is another example of the government trying to determine what are the different categories of support required and asking young Australians and Australian families to conform and fit with their model. I believe Australian people will reject that. They will reject it because they will not be able to do it. You cannot

transform a society legislatively, as this legislation seeks to do.

The last point cited as one of the major aims of this particular bill is that the youth allowance reinforces the government's philosophy that families should support young people until they have achieved financial independence. If that is not clambering up the moral mountain, I do not know what is. It says so clearly that we are dealing with a government which seeks to impose its own moral agenda on Australians. I, like many others, am of the view that that style of government went out in the 1950s. There is no place for it here. Governments should serve the needs of the community, not impose their moral standards upon a community at their own will.

I would like to return to a previous point, and I think it is a significant point in this debate. This legislation, which limits the support of young people, is not accompanied by an increase in education funding. It is not accompanied by massive support to the states to boost the standard of quality of secondary education. It is not accompanied by a vision for our tertiary education sector. It is not even accompanied by a vision to create more Australian jobs to boost our industry base. In fact, it is accompanied by the opposite of all of those things: it is accompanied by policies that undermine each of those three areas systematically and without backdown.

Labor's amendments to this bill seek to redress the major inequities and the harsher requirements imposed. We cannot remove some of the moral impositions that this legislation seeks to impose. What we can do in opposition is try to amend it to make it a little bit more palatable, make it a little bit more workable and perhaps, through those amendments, make the burden upon Australia's youth and their families a little less onerous.

On this basis, Labor will seek to move a series of amendments. I know that those amendments will receive support from the crossbenches. It will be interesting to see the degree to which this government acknowledges what is commonsense, what is good policy, and accepts those amendments.

Senator BROWN (Tasmania) (1.49 p.m.)— At the outset, I want to flag the great concern that the Australian Greens have with the Social Security Legislation Amendment (Youth Allowance) Bill 1997 as it stands. I cannot do better than to read from a letter which was sent to the Prime Minister (Mr Howard) now some nine months ago in the anticipation that the legislation would look like this when it got to the parliament. It outlines the concerns that young people in Australia had then, the concerns being expressed by some 20 or so community service organisations, and it does so succinctly. Nothing much has changed. It is still contemporary and relevant to this legislation. The letter to the Prime Minister says:

Dear Prime Minister,

The introduction of a Youth Allowance offers the opportunity to simplify aspects of the income support system, to remove anomalies in the treatment of unemployed young people and students, and to offer greater flexibility to pursue different pathways to employment and adulthood.

All good things, but the letter goes on:

However, community, youth and church-based organisations have grave concerns about the effects of the Government's proposed Youth Allowance package on many young people and their families.

Young people face increasing pressure as full time job opportunities evaporate, as they seek new pathways from education to work, and as they rely more heavily on parental support for longer periods of time. These pressures are pushing many of the most disadvantaged young people to the margins of society and further impoverishing many of their families.

Instead of offering more flexibility, the Government's proposed Youth Allowance withdraws support or makes it harder to obtain.

The Allowance proposal is based on unrealistic and false assumptions about today's young people, namely that:

Firstly:

- . all young people aged 16 and 17 years from low income families will either benefit from formal schooling, or have viable alternative training options open to them;

That is the government's assumption. Secondly:

- . all young adults aged 18 to 20 years who have completed their formal education and are seeking

full time employment should continue to live with, and remain dependent on, their parents.

That is the government's assumption. Thirdly:

- . all young adults aged up to 25 years who continue their full time studies should relinquish financial independence and continue to live with their parents.

That again is the government's assumption. But the letter says:

The reality is that many young people from struggling families do not have these options open to them. They and their families are vulnerable to poverty if the Allowance goes ahead as planned.

There are three major aspects of the proposed Youth Allowance which are built on questionable analysis and unreasonable expectations. If imposed rigidly as the proposal implies, the Youth Allowance is likely to cause significant additional financial hardship and social stress for many young people and their families, and push more young people to the margins of society. The three aspects which need to be changed to prevent substantial damage to young people and struggling families are:

- . the parental means test should not apply to 18 to 20 year old young adults who are considered to be independent by community standards;
- . 16 and 17 year olds should be encouraged and supported in continuing their formal education or training, but the Allowance must not be based on the assumption that that is the best course for all young people;
- . Rent Assistance should be extended to all Youth Allowance recipients living away from home.

The letter then goes on to say to the Prime Minister:

We therefore strongly urge the Government to reconsider these features of the Youth Allowance in consultation with key national organisations, before the legislation is introduced. If these critical issues are addressed, we believe the Youth Allowance is capable of achieving its goal of simplification and efficiency, while maintaining a fair and equitable support system for Australia's young people and their families.

What a golden opportunity this legislation was and should be. It does present the potential for efficiency. It does present the potential for simplification. It does offer young people easier access to support at the most critical time in the development of their future careers and therefore their contribution to society. But what an opportunity lost in this legislation.

While the government will be able to argue that this legislation does actually improve benefits to some people—17 per cent of students, many of them from rural areas, and who would be opposed to that?—the fact is that there are some 24,000 unemployed people who are likely to be cut off from accessing rent assistance and some 346,000 students who will get nothing at all. The Greens in Tasmania estimate that there will be an extra thousand young people trying to enrol in TAFE and senior secondary college a year from now if this goes ahead simply because they are being denied the wherewithal they need to continue to make ends meet and to be responsible citizens in a society where their rights should be met, not cut as they are under this legislation.

With that in mind, the Australian Greens are going to seek to amend this bill—as are other parties on this side of the house—based on three major issues as identified by that coalition of welfare groups, which included by the way the Australian Council of Social Service, the Australian Youth Policy and Action Coalition and the National Union of Students. Firstly, when it comes to rent assistance, under the government's proposal only a minority of students—mainly those from rural families, as I have said—will actually benefit under this legislation. They will be getting a maximum rate of \$98.80 a fortnight. Some unemployed people will lose their current rent assistance entitlement as assistance will only be paid to young people who must live away from the parental home for work or study related reasons. So we will be moving an amendment to ensure that housing assistance is based on actual housing costs and needs, rather than an expectancy that young adults will continue to live with their parents.

Secondly, we are concerned about the parental means testing for 18 to 20 year olds, as I have indicated in reading out that letter to the Prime Minister. The government intends to require that parents fully support their 18 to 20 year old unemployed sons and daughters. Our amendment will ensure that the age of independence for unemployed people remains at 18 years and be returned

from 25 to 21 years for students. We do not accept this theory that 18 year olds should be expected to fulfil their full responsibilities to society—to vote, to be part of the armed services and to carry out all the obligations, financial and otherwise, in society—but are denied the assistance that is required to allow them to live as fully functioning adults in our society for the purposes of employment or further education with employment in view.

Finally, the activity test requirements for 16 to 17 year olds by the government means that they will have had to have finished year 12 in order to qualify for youth allowance. We do not accept that. The Greens amendment will ensure that all 16 and 17 year olds are able to access income support.

We feel very strongly about these amendments. We have had tremendous feedback from the community. This is a factor of demoralisation for young Australia. It is something that has come at a time when there is a great deal of debate that what we are doing with what appears to be institutionalised unemployment is going the wrong way. Instead of the government putting more money into ensuring that young people are able to search out their own path to fulfilment in society, to search out their own means of contributing to society—and very often in difficult circumstances, which for some young people means they do not have parental support—the government brings this in. We will be amending this legislation in the committee stages.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Hindmarsh Island Bridge

Senator BOLKUS—My question is to Senator Herron, Minister for Aboriginal and Torres Strait Islander Affairs. Minister, were you or your office aware of the letter from Mr Justice Callinan to the Senate Legal and Constitutional Affairs Legislation Committee prior to Justice Callinan's withdrawal from the Hindmarsh Island case on 25 February? If so, when were you or your office made aware of that letter; why did you not ask the Australian Government Solicitor to draw it to Mr Justice Callinan's attention? Minister, would

not this or other information in your possession have corrected the judge's faulty recollection? Would this not have enabled him to have made a fully informed decision as to his participation in the Hindmarsh Island case?

Senator HERRON—I am grateful for the question from Senate Bolkus, because he raises the issue of Hindmarsh Island Bridge once again. I was reading the lyrics of a song of Peter, Paul and Mary over the weekend in which they sang, 'When will they ever learn? When will they ever learn?' Senator Bolkus also raises the spectre here of a minister of the crown advising a High Court judge what his actions should be. I know that is what Senator Bolkus would do. That is how the old bovver boys of the Labor Party would work.

To answer the question specifically, I was unaware of that letter, Senator Bolkus, because I did not read about it until you released it. Senator Bolkus was the one who brought everybody's attention to it in the media. I was unaware of its existence until he did so. Senator Bolkus has a responsibility here as a member of that committee. It is not my place as a minister of the crown to try in any way whatsoever to influence a member of the High Court. I would have thought Senator Bolkus would regard himself as being in the same position. He aspires to be Attorney-General. I would have thought that somebody of his capacity—as he apparently is in that he has been given that responsibility—should know that that is just not done.

Senator Bolkus was the one who brought this up, and I am grateful to him for doing so because he reminds the Australian electorate of the shambles that occurred over the Hindmarsh Island Bridge legislation on which \$4 million of taxpayers' money was totally wasted. On my shelf I have the report of Justice Jane Matthews—that cost another \$1 million of taxpayers' money—that was ruled inadmissible. I think I should draw that to the attention of the Australian public too. At least another \$1 million, I understand, has gone over the last year on legal expenses.

As you know, Senator Bolkus, that is money gone down the drain. Nothing has been achieved. There were four inquiries, three of which said the bridge should go

ahead, and the other, on appeal, also said it should go ahead. Yet you are raising the spectre again. You do your party no service in raising the issue of the Hindmarsh Island Bridge yet again. You may regard it as good politics to drag this on and impute motives to the government in this regard, but I can assure you that it is not.

Senator BOLKUS—Madam President, I ask a supplementary question. Minister, I remind you that I asked, amongst other things, whether other information in your possession could have helped correct the judge's faulty recollection. You have not answered that. Have you or your office had any discussions with the Attorney-General or his office as to whether a solicitor-client relationship existed between you and Justice Callinan? If so, when did those discussions occur; who was present; and what did you or your office disclose as to the true nature of the relationship?

Senator HERRON—Senator Bolkus is aware of the true nature of the relationship in so far as I asked the then Mr Callinan QC if he would be prepared to provide an opinion on the legislation. He said that he was prepared to, and that went to the Senate constitutional and legal committee. Senator Bolkus is aware of that. That is what occurred. There is no conspiracy. There is no cover-up. Those are the facts of the matter, and that is where it should finish.

Economy

Senator PATTERSON—My question is to Senator Robert Hill, the Leader of the Government in the Senate. Since the Howard government was elected two years ago, it has delivered record low inflation, record low interest rates, record home affordability, strong business investment and a massive reduction in Labor's \$10.3 billion debt. Will the minister outline achievements in fixing Labor's economic mess and assisting families and small businesses.

Senator HILL—It is in fact a very fine record of achievement in relation to the economy. That is something from which all Australians gain benefit. Just reflect what we inherited two years ago: a \$10½ billion

deficit, which we were told did not exist at all. Just look at some of the key indicators. There was an average underlying inflation under Labor of 5.5 per cent; under the coalition it is now 1.5 per cent, the lowest rate in 35 years. Housing interest rates hit 17 per cent—and averaged 12.6 per cent—under Labor. Under this government, home loan interest rates are now 6.7 per cent, the lowest in 30 years.

The fall in mortgage interest rates over the last two years means a reduction of \$256 a month on an average mortgage, a saving of \$256. What is the consequence to housing affordability? Under this government, housing is 25 per cent more affordable than when Labor was in government. Labor left a budget deficit of \$10.3 billion. Net government debt was 20 per cent of GDP in its last year. Under the coalition the budget will return to surplus in 1998-99. Within the term of one government the net government debt will be cut from 20 per cent to around 10 per cent by the year 2000-2001. Business investment is up of course under the Howard government—gone up from 10.5 per cent, which it averaged under Labor, to 14 per cent.

What about unemployment? Labor of course gave us the one million unemployed—11.2 per cent when Mr Beazley was minister for employment, something worth recalling. Since March 1996, total employment has increased by 223,600. In the last four months, 145,000 jobs have been created in Australia. When you work through each of these key indicators you can see the tremendous benefits that all Australians are getting as a result of the Howard government being prepared to take a number of hard but fair decisions on expenditure when it came to government.

The good news keeps coming: a 42 per cent decrease in the number of working days lost in the year to November 1997. Someone told me that last year's result was the best result on lost working days for about 45 years—so much for what was anticipated by Labor when the coalition came to government. Apparently its industrial relations record in that regard beats all Labor's in recent decades. There has also been a 5.1 per cent rise in consumer confidence. The Westpac-Melbourne Institute

survey for February indicates one of the largest rises since 1994—good news. The small business health index for the December quarter is at its second highest level since the index began in 1993. There was a 10.8 per cent increase in new private capital expenditure in the year to December 1997, and a 16.1 per cent rise in trend terms in new motor vehicle registrations to November 1998.

On the two-yearly anniversary of this Howard government, this is a fine record that we are prepared to stand up and show the Australian people with pride. This has given the Australian people a better chance to address the key issues that affect our own personal finances. It should be put on the record accordingly. *(Time expired)*

Senator PATTERSON—Madam President, I ask a supplementary question. Minister, I know that you did not have the time in the four minutes to list all the things. I also asked you about how the government had assisted families and small business, and I would like you to answer that question as well.

Opposition senators interjecting—

Senator HILL—I hear that Labor is bored by good economic figures; the Australian people are not bored by something that they deserve and that they are finally getting under this government. It would be interesting to look at a few of Labor's alternative policies for a change. But that was not the question; it was whether there are further specific initiatives. I remind you of the family tax initiative, a \$1 billion initiative assisting more than two million Australian families; private health incentive schemes, helping Australians with the cost of their private health; and the reduced provisional tax uplift factor, helping small business, reduced from eight per cent to six per cent. I remind you of the capital gains tax rollover relief to assist small business, as well; the savings rebate, \$1.3 billion to encourage savings, to commence on 1 July this year; and the boost to industry with a \$1.26 billion investing for growth program—and so I can go on. This has been a government committed to making life better for ordinary Australians and it is achieving it. *(Time expired)*

Hindmarsh Island Bridge

Senator FAULKNER—My question is directed to Senator Herron, the Minister for Aboriginal and Torres Strait Islander Affairs. Minister, do you stand by the assertion made on Thursday last week when you indicated in the interview on the *PM* radio program that Justice Callinan's advice was not an advice to you, but was merely an advice that was provided by Justice Callinan to the Senate Legal and Constitutional Affairs Legislation Committee at your request?

Senator HERRON—Yes.

Senator FAULKNER—Madam President, I ask a supplementary question. If that is the case, perhaps then you can explain how you can reconcile that answer you have just given with the fact that Mr Justice Callinan sent a letter to the secretary of the legislation committee on 5 December saying:

... would you kindly note that what I provided is not a submission to the Senate, but an opinion to the responsible Minister, who then provided as part, no doubt, of his submission, my opinion.

It is a mistake for you to describe—

'you' being the secretary of the committee—therefore my opinion submitted by Honourable Doctor Herron as a submission by me.

How do you reconcile both those accounts, Minister?

Senator HERRON—I suggest Senator Faulkner asks Mr Justice Callinan.

Senator Faulkner—I raise a point of order. I suspect that Senator Herron knows enough about the separation of powers to realise that I cannot ask Mr Justice Callinan—I am asking him.

Senator Herron—On the point of order, Madam President—

Government senators interjecting—

The PRESIDENT—Order! There are too many people speaking on my right.

Senator Faulkner—Madam President, I am taking a point of order—

The PRESIDENT—I am listening.

Senator Faulkner—As I have indicated, Madam President, you are well aware that it is not competent for me to ask Mr Justice Callinan. I suggest it is proper for you to

direct the minister in this chamber to answer a question directed to him. I believe, Madam President, the answer you have just heard from Senator Herron is a contempt of the parliament. You should rule accordingly and direct the minister to answer the question.

Senator Herron—On the point of order, that is the very point which Senator Bolkus did not understand—it is the separation of the powers. I brought it home to Senator Faulkner in various obvious reasons. It is not my place to ask Mr Justice Callinan, nor should Senator Bolkus go around attacking him either. I would suggest, on the point of order, Madam President, that you get Senator Faulkner to explain it to Senator Bolkus.

The PRESIDENT—Senator Faulkner is entitled to ask the question he asked, Senator Herron is entitled to answer it as he sees fit, and there are other venues for it to be pursued if Senator Faulkner wishes to do so.

Employment Services Market

Senator FERGUSON—My question is directed to the Minister representing the Minister for Employment, Education, Training and Youth Affairs. The previous Labor government wasted millions of dollars and disillusioned thousands of unemployed people by churning them through labour market programs that gave them no real hope of getting a job. Since winning government, the coalition has taken a number of initiatives to help job seekers, particularly young people, obtain skills and get jobs. Minister, will you inform the Senate of the major reforms to the employment services market which will see many thousands of Australians assisted to get real jobs by private, government and community providers?

Senator ELLISON—Let me say at the outset that Senator Ferguson is absolutely right: the Labor government, in its last year of office, spent \$860 million on failed programs which did not deliver a job, which did not help anyone obtain any employment, and which failed to train them for that task. In fact, job seekers had to fit the program and not how it should be, with the program fitting the job seekers concerned. That is what we have done with our jobs network program.

Let us look at what this government has done since winning government in relation to reforms across the employment and training sector. We have introduced: industry-led new apprenticeships which will provide 200,000 new apprenticeships and traineeships over the next two years; the work for the dole initiative, which in its first pilot program involves 179 community projects and over 10,000 participants; the Green Corps, which will provide accredited training for 3½ thousand young people with a commitment to the environment; and also reform of youth income support through the introduction of the youth allowance which will, for the first time, pay rent assistance to up to 70,000 students.

Last week, the government announced the successful private community and government organisations which will be contracted to the Department of Employment, Education, Training and Youth Affairs to provide services to unemployed Australians. We have tendered out \$1.7 billion worth of labour market funds for services to unemployed people. This is the largest services tender ever undertaken in Australia.

This jobs network program will take effect from 1 May this year and will help more unemployed people into real jobs. Over 1,000 organisations tendered, and more than 300 of those will receive contracts. It is expected that over 1,400 sites across Australia will be used in this process. This tender process resulted in the excellent spread of competitive organisations—local, regional and national—with broad coverage across Australia.

Services will be maintained where they currently exist. Under the new arrangements, job seekers will have access to many more vacancies. There will be four times as many points of access for unemployed people than are currently offered by the CES. Job seekers and employers will have a wide choice of organisations to help them, and this will enhance dignity and self-respect. Assistance will be tailored to meet the needs of job seekers and employers. This is a program which meets the needs of job seekers.

In the first instance, jobs network services will include job matching. Job matching will involve gathering employers' vacancies and

matching unemployed people to these jobs. The second aspect will be job search training. This will provide training in job search techniques to prepare unemployed people to apply for jobs and to give them the skills and confidence they need in applying for positions.

The third aspect is intensive assistance. That is an individually tailored scheme for long-term unemployed and other disadvantaged job seekers to address any employment barriers and place them into jobs. That is not all. The new apprenticeship centre involves entry level training, which will provide a one-stop shop for unemployed people who want to embark on training to find out where they can engage in that training.

It is not only for the unemployed or those who want to seek training opportunities; it is also there for employers. We are streamlining the system. We are making it more user friendly. There is also the new enterprise incentive scheme, which provides assistance for unemployed people who want to embark on a viable business. (*Time expired*)

Hindmarsh Island Bridge

Senator BOLKUS—My question is to the Minister for Aboriginal and Torres Strait Islander Affairs. When was the request made to Justice Callinan for his opinion dated 22 November 1996? Who requested that opinion? Exactly what were the nature and terms of that request? Will you table a copy of the advice provided by Justice Callinan to you? If not, why not?

Senator HERRON—The background to that is well known to Senator Bolkus. I contacted Mr Callinan QC and said, 'Would you be prepared to give an opinion on the Hindmarsh Island legislation?' He said that he would and, subsequently, my staff contacted him and said that it was for the Senate Standing Committee on Legal and Constitutional Affairs. Senator Bolkus, you are a member of that committee and you will recall that the advice came addressed to the Senate legal and constitutional affairs committee.

I will have to check my diary to see the date on which I spoke to him about giving an opinion, and I will get that to you at the end

of question time. I do not recall precisely. Senator Bolkus, you are aware of all these things. I am pleased that you are pursuing this matter so that we can make sure that the Hindmarsh Island Bridge fiasco is revived in the memory of the public of Australia—another million dollars of Australian taxpayers' money down the chute, I presume.

Senator Bolkus, I also draw it to your attention that the Department of the Senate is conducting seminars, which I see are starting shortly, on the Senate legal process. One that I would advise you to attend is the seminar on the three arms of government and the separation of powers.

Senator Bolkus—Will you provide the advice?

Senator HERRON—No, Senator Bolkus. There is a little hook in the tail for me to go before the privileges committee there. The advice was sent to the Senate legal and constitutional affairs committee and is available to that committee. It is up to that committee to do with it as they see fit. It is very good advice, I understand, but it is up to the committee. It is not my place to do that, to answer the second part of Senator Bolkus's question.

I would advise Senator Bolkus, as he is pursuing this particular issue, that he refresh his memory—which Senator Faulkner did not need to have refreshed—on the importance of the three arms of government and the separation of powers. The full-day seminars are being held at Parliament House once a month, usually on a Friday. I would advise him to attend one so that he has that clarified in his mind and so he stops trying to pursue a very respected member of the High Court.

Senator Bolkus—Madam President, I ask a supplementary question. Did Mr Callinan actually bill you for his advice; and, if so, who paid the bill?

Senator HERRON—Madam President, I certainly have not seen a bill. Again, we will get an answer to that question as to who paid, because obviously somebody must have. I presume it was the Senate.

Senator Vanstone—It might have been pro bono.

Senator HERRON—Thank you for that, it might have been pro bono. I certainly have not seen a bill but I will find out. I know that Senator Bolkus would not do it out of the goodness of his heart, but it is just possible that that may be so. I will find out if an account has been sent, whether it has been paid and who paid it.

Howard Government

Senator LEES—My question is addressed to the Minister representing the Prime Minister. Two years ago, prior to the 1996 election, John Howard told the Australian people that he would not break promises, even if that meant delaying the achievement of an underlying budget surplus. Well, is it not the case that, two years later, \$12 billion worth of promises have been broken and that achieving a budget surplus has become the be-all and end-all of government policy? Is it not the case that the only achievement of this government is to replace a budget deficit with a social deficit—that is, a growing pool of deprived Australians faced with declining standards of health, education employment and social services? How can this government take any pride at all in the implementation of economic policies that have increased the number of long-term unemployed and made the sick, the aged and the disadvantaged pay the heaviest burden?

Senator HILL—No, Madam President, that is certainly not the case. It is a fact of reality that, to give the Australians the opportunity to plan their lives for the well being of their families, it is necessary to ensure that the key fundamentals of the economy are in order. We took those hard decisions early on in this government. They were not easy. They were against a background where we had not only set out very detailed promises during the election but also costed all those promises. We had done that on the basis of what the Labor Party in government had determined was the economic reality. But, in fact, that was not so. We were misled, and the Australian people were misled.

When we came to government, we found a \$10.3 billion deficit when we were told that the books would be in surplus—a \$10.3 billion deficit and Mr Beazley was the finance

minister. We had a choice: we could either push that deficit aside—as Labor had done in the past—and continue the practices of high expenditure, high taxation, high borrowings and run the risk of the position further deteriorating; or we could take some hard decisions and significantly cut expenditure. We did that in the first budget. We make no apologies for it because, if we had not done so, one can only imagine with considerable fear the position of this nation now with the background of what has occurred in the Asia in the meantime. We took those hard decisions and, as a result of taking them, we have been able to give to the Australian people the additional benefit of an economy within which they have the opportunity to prosper.

I said in my answer to the first question today that we now have inflation down to record low levels. This means that people keep the full benefit of their weekly pay cheque. It does not go off in inflation. We have interest rates down to record low levels, which has given a tremendous saving to all Australians but particularly to those who are not so well off. Somebody calculated that the effect of the reduction in the cost of mortgages would be the equivalent of giving a tax break of about \$90 to \$100 a week for the average Australian.

Senator Newman—A salary increase.

Senator HILL—A salary increase of between \$90 and \$100 a week. That is a tremendous achievement. It has been made possible by the government taking the hard decisions in its first budget. All Australians who have a mortgage are benefiting from those decisions.

So we can go on with business investment. The Democrats do not understand business investment but, if business is investing, then it is growing and it is giving the opportunity for further employment and for jobs. We think that is what is important for all Australians.

I also made the point that in the last four months we have created 145,000 new jobs. I would have thought that is great news for ordinary Australians. That is great news for Australians who were destined for long-term unemployment under the policies of the

previous Labor government. They have now got hope because businesses are investing. There is a much more positive business climate. Senator Lees should appreciate that in our home state of South Australia alone the public are much more optimistic. Business is making progress at last, and they are doing it under sound federal government policy.

The bottom line of the story is that all Australians, but particularly those not so well off, have been the key beneficiaries of this government taking sensible, fair but nevertheless firm budget decisions in its first budget. We do not shy away from that. (*Time expired*)

Senator LEES—Madam President, I ask a supplementary question by giving you some specific examples. Is it not the case that your budget surplus has been achieved by: underfunding our public hospital system—

Government senators—No, no!

Senator LEES—And scrapping altogether the funding for the dental health services—

Government senators—No, no!

Senator LEES—Is it not the case that you have saddled young Australians with huge debts for their higher education—

Government senators—No, no!

The PRESIDENT—Order! Senators on my right will remain silent while Senator Lees gives her question.

Senator LEES—Increased child-care costs to families, significantly underfunded the aged care system—

Honourable senators interjecting—

The PRESIDENT—Order! I cannot hear the question. Would you start again, Senator Lees?

Senator LEES—I am going to give you a few examples: is it not the case that your surplus has been achieved by underfunding our public health system, particularly our hospitals; cutting altogether our dental health services; saddling young Australians with huge debts for their higher education; underfunding and refusing to support Australians with disabilities so that they can at least find adequate accommodation in many cases; cutting 28,000 public sector jobs; and increas-

ing child-care costs? Minister, are you proud of that record?

Senator HILL—I will start at the end. I do not know how many public sector jobs were cut. As I understand it, in the ACT, where you would have thought the greatest focus would be for that, practically all of the public sector jobs have now been absorbed within the private sector. I think the figures have practically balanced again in a very short period of time, leaving the ACT economy so much stronger and with a much brighter economic future. That has been the result.

I do not want to crow about it, but I do remind you of the recent verdict of the ACT voters on those decisions. The ALP vote in the ACT election fell to just over 27 per cent. I would suggest what that demonstrates is that the people of Australia do not want more of the old Labor Party recipe of high deficit, high unemployment and no hope. They want governments that are prepared to take firm but fair economic decisions that give all Australians a better chance. (*Time expired*)

Aboriginal Reconciliation

Senator ROBERT RAY—My question is directed to the Minister for Aboriginal and Torres Strait Islander Affairs. Minister, on 4 February 1998 you tabled an answer to question on notice No. 1050, which stated:

No public opinion research on reconciliation or other issues have been undertaken by either ATSIC or the reconciliation branch for the Department of the Prime Minister and Cabinet since the work of Mr Brian Sweeney and Associates in 1996.

Minister, can you confirm that? Minister, hadn't Brian Sweeney and Associates just concluded the week before you tabled that answer qualitative research in six states and one regional centre on two of the most divisive advertisements ever concocted by a political party? Why did you table such a misleading answer to a question on notice?

Senator HERRON—I do not recall the date of the signature of that question on notice, but I respect Senator Ray and I am sure that he is correct in the assertion that he made in relation to that question on notice. In relation to the second question that he asked me, I was totally unaware of any research,

qualitative or otherwise, being done by Brian Sweeney and Associates at that time.

Senator ROBERT RAY—Madam President, I ask a supplementary question. Minister, are you aware that evidence at the estimates committee suggested that your office, Senator Minchin's office and the Prime Minister's office were responsible for input, especially the creation of advertisements that were later tested at those focus groups? Are you saying to me that you had no knowledge that your staff were involved in that process? If you do have knowledge of staff who were involved in that process, could you tell us who they are?

Senator HERRON—I first became aware of this when I was asked this question in estimates, as Senator Ray referred to, but I was certainly aware of some discussions going on at officer level between various officers. I did not even know who was involved until that estimates committee questioning occurred. I did not know who they were, but certainly somebody from my office—

Senator Robert Ray—Who?

Senator HERRON—My chief of staff spoke to other officers, as is quite normal. It goes on every day of the week. Mr Hunting, who is my chief of staff, spoke to the other officers. I think he was named in the estimates committee.

Senator Faulkner—You do know his name then?

Senator HERRON—Senator Faulkner admits that he named him. He is a most able chief of staff, I might say. I am sure that the other officers that he spoke to are equally able, but I was unaware of the detail of it.

Children with Disabilities

Senator HARRADINE—My question is to the Minister representing the Minister for Family Services. Would the minister agree that the priority of government is to assist families, particularly those most vulnerable, to perform their important functions of caring for their sons and daughters? Has the government heard the cries of those parents of children with disabilities to help them to care

for them as precious human beings? How have those principles been incorporated in the CSDAs?

Senator HERRON—I thank Senator Harradine for the question and assure him that the government is very aware of the enormous demand and requirements for the parents and the children with disabilities. There has been some criticism of the Commonwealth's funding offer to the states. I know that in the press in Tasmania there has been a report in that regard, but I assure Senator Harradine by way of background—and I will refer then to the Tasmanian situation—that the Commonwealth, in fact, has a 20 per cent responsibility for the disability services overall and the states and territories have an 80 per cent responsibility. The Commonwealth's offer for five years provides a five per cent increase each year of the agreement. So far, four states and territories have indicated that they regard this as acceptable.

Negotiations between the federal minister and his state counterpart on the funding arrangement for Tasmania in relation to disability services have been proceeding very well. The Commonwealth based funding on offer to Tasmania will grow from \$12.4 million in 1997-98 to more than \$14.4 million in 2001-02—more money than has ever been provided by a Commonwealth government to Tasmania for disability services. So I assure Senator Harradine that particularly in relation to Tasmania there is quite a dramatic increase.

During the period of the proposed five-year agreement, Tasmania will receive from the Commonwealth more than \$66.8 million for accommodation support and day services for people with a disability. In addition, the Commonwealth will provide over \$27 million for employment services over that same period. While responsibility for accommodation and day services for people with a disability has always rested, as I mentioned, largely with state governments, the Commonwealth has demonstrated its commitment to supporting these crucially important areas with a generous funding offer.

Following the breakdown in negotiations with all the states over a second agreement, the family services minister and his state

counterpart moved quickly to discuss a bilateral agreement, and these negotiations are now in the final stages. It is anticipated the eventual agreement will provide substantial benefits to the disabled community within Tasmania. The agreement will provide certainty of funding, guarantees of performance and service, and a commitment to address those areas of unmet need which were never considered in the original Commonwealth services disability agreement negotiated by the former Labor government. Those discussions will directly involve the representatives of those people with a disability in Tasmania who have been for too long forgotten.

The cooperative approach shown by the Liberal government in Tasmania will significantly benefit the disabled community in that state. Regrettably, some states are not willing to talk as seriously as the Tasmanian government. As a federal government we certainly do not want to see people with disabilities in those states disadvantaged so the minister has offered to continue to provide funding at current levels to every state while negotiations continue. So there is no question.

However, where a state will not commit to funding over the next four years and will not even promise to maintain current funding, it makes it very difficult to progress negotiations for a new five-year agreement. We are hopeful that all states will sign in the near future and we can then get on with the real work of assisting families in need.

Senator HARRADINE—Madam President, I ask a supplementary question. I thank the minister for that response. I remind the minister that in September of last year I asked a question on notice as to the Commonwealth-state disability agreements. I raised the question of unmet need—that is to say, not just to deal with little more than recurrent expenditure but to look at the question of unmet need over the years. I wonder whether the minister would like to comment on that and as to whether the government is pursuing that rigorously?

Senator HERRON—I thank Senator Harradine for the supplementary question. Yes, I personally have been particularly aware of that. As you would be aware, Senator

Harradine, there is enormous unmet need. I assure you that, while we are pursuing it as vigorously as possible, there are always constraints that occur. As you know, we were left with a \$10½ billion deficit when we came into government two years ago. As you also know, we are projecting there will be a budget surplus in this coming budget.

Having said that, we are certainly looking at those unmet needs. There will always be, regrettably, unmet needs because of the nature of the disabled. But we are certainly taking that into account. I will bring your supplementary question to the notice of the minister as well.

Natural Heritage Trust

Senator FAULKNER—My question is directed to the Minister for the Environment. Minister, why did your office direct your department to re-examine Victorian applications for Natural Heritage Trust funding which had been rejected by the regional assessment panels at the very first stage of the assessment process? Minister, isn't it true that this reassessment by your department led to your decision to grant \$52,900 of Natural Heritage Trust funding to the Baillieu family pastoral holding, Woodhouse Pastoral Company, notwithstanding the Victorian regional assessment panel's rejection of this application? How can this grant for the private benefit of the Baillieu family, the pre-eminent Liberal establishment family in Victoria, be regarded as anything other than an outrageous political rort?

Senator HILL—That is highly offensive to the Baillieu family. As I think Senator Faulkner will recall from what he was advised at the estimates committee, there were difficulties in relation to the RAP-SAP process in Victoria—the regional assessment panels and the state assessment panel. Bear in mind that this was the first time such panels had been set up for the purposes of the trust. So to some extent it was a learning experience and it was to the background where the Commonwealth and state relationship and responsibilities in relation to the RAPs and SAPs were still being sorted out with the relevant states.

It will not surprise you, Madam President, that, because the states have traditionally been responsible for the assessment of the natural resource projects, they were a little reluctant to see Commonwealth involvement at that stage.

Opposition senators interjecting—

The PRESIDENT—Order! There are too many interjections. It is a question asked by Senator Faulkner and he is entitled to hear the answer.

Senator HILL—We had committed ourselves to a genuine process of partnership. It was important that the Commonwealth had a role at every stage in the assessment process which included at the regional assessment stage and at the state assessment stage.

Notwithstanding our objective in that regard, I understand that in nearly all regional assessment panels in Victoria we were unable to get a Commonwealth representative to the table which from our perspective was a significant deficiency within the process. There were also difficulties in relation to the state assessment panel because it was divided into a series of subcommittees as I understand it and it did not consider as a SAP as a whole. As a result of these concerns about that process—

Opposition senators interjecting—

The PRESIDENT—Order! There are too many interjections.

Senator HILL—I think anyone interested in this matter would know that there were considerable expressions of concern as to how that process had worked for the first year in Victoria and that particular concerns were expressed by some proponents that they were not given a fair consideration through the RAP process. We considered that it would be wise after we had considered those applications that had gone through the state assessment process for our department to look back through the projects that were cut off in effect and to ensure that there were not any that were cut off inappropriately.

As a result of that, my department advises me that they analysed some 199 projects which were not included in the SAP bid—they looked at a lot. They recommended that

three projects which had been incorrectly ruled ineligible were well worth funding. One of those three projects was referred to by Senator Faulkner. That project, which was described as 'protection of significant national estate remnant vegetation Ainsbury', was described by my department as an outstanding project and one of the best bushcare projects in Victoria in the last round. Its purpose was to protect and enhance a 270- hectare woodland of grey box and buloke which is one of the largest and most intact such woodlands left on the Victorian basalt plains. (*Time expired*)

Senator FAULKNER—Madam President, I ask a supplementary question. Then, Minister, you can confirm that only three Victorian grants were approved because of the process that was reopened by direct intervention of your office—one of those being the Baillieu's Woodhouse Pastoral Company project? Can you confirm that current and former directors of the Woodhouse Pastoral Company are members of the Derrinallum, Flinders, Toorak and Berwick branches of the Liberal Party?

Senator HILL—Senator Faulkner has certainly found a useful way to spend his time. I confirmed that the area's securely fenced non-indigenous species will be removed, other degraded remnants nearby will be regenerated and the whole network will be linked by large plantings and seedlings in corridors of indigenous vegetation.

Senator Faulkner—Madam President, I raise a point of order. I asked a two part supplementary and I was particularly interested to hear whether Senator Hill can confirm the Liberal Party membership of the principals of the Woodhouse Pastoral Company. Perhaps he can confirm that for the Senate.

The PRESIDENT—There is no point of order.

Senator HILL—I thank the senator for the encouragement. The point is that the RAP incorrectly ruled this project ineligible on the grounds that the proponent is an individual rather than a community group. Officers of my department did not know who owned this company at the time of assessing the project nor was I aware of that when I approved the

recommendation that it should be funded. In any case, I do not believe it to be a relevant consideration.

Mr Christopher Skase

Senator ABETZ—My question is directed to the Minister for Justice, Senator Vanstone. Christopher Skase left Australia owing millions of dollars of personal and corporate debts. The Labor government failed in its attempt to extradite Skase from Spain. This government has confirmed new legal action to recover Skase's assets. Will the minister outline the government's commitment to pursuing Mr Skase and his assets and any obstacles to the success of the current legal action?

Senator Bolkus—Her office leaked the story!

Senator ABETZ—Can you put that on the record, Senator Bolkus?

The PRESIDENT—Senator Bolkus will cease interjecting.

Senator VANSTONE—Yes, Senator Abetz, the government has confirmed that it is funding further legal action to pursue Mr Skase's assets. The government agreed to fund that action some time ago and had remained silent about that for what I think, Senator Abetz, were obvious reasons. Nonetheless, it was something like a vice grabbing my heart when my press adviser rang me on the night of Sunday 4 January to say that News Limited was now aware of the new Skase action, they had spoken to a number of people—

Senator Bolkus interjecting—

Senator VANSTONE—You want to listen to this, Senator Bolkus—and they were going to run a story, so did we have anything to say. Then, on my advice, my press officer contacted the News Limited journalists and editors and quite specifically pointed out that it was not in the interests of any Australian who wanted Skase's life made difficult for any details of this to be released.

We were not successful in convincing News Limited not to run the story. But I must say that on Monday 5 January I could breathe quite easily because the story that was run by

News Limited was a pretty general story—the government is after Skase’s assets. However, at 11 o’clock that morning, having read a general story in the paper, Senator Bolkus saw an opportunity. He held a press conference in Adelaide. During that press conference—that is, material intended for the media to run to the public; still a proper press conference—he revealed certain matters in relation to the Skase matter that had not been revealed in the past.

But worse than that, not only did he indiscriminately comment in his press conference and give away some details of proceedings that up until that point had not been revealed by News Limited or anybody else, but having said, ‘Thanks very much’—that is his indication the interview is over; that is all he wants on the record—he then turned around and said, sotto voce—we have dropped down a level here—I can’t give this document out, but maybe if I just read it out off the record, this is the proceedings in the court.’ He was caught red-handed.

Government senators interjecting—

The PRESIDENT—Order! Senator Vanstone, resume your seat. Senators will not wave pieces of paper around during question time or shout at the level that those on both sides have been shouting at.

Senator Bolkus—Madam President, I raise a point of order. Senator Vanstone’s answer is not directed to the question. She should really address the question and the fact that her office is being investigated. She should put that on the record and address that.

The PRESIDENT—There is no point of order. Senators on both sides will stop making so much noise.

Senator VANSTONE—Let me indicate to you that News Limited basically leaked information that we were seeking to freeze some assets. We would have preferred that that was not run, but it was. What did Senator Bolkus release? Senator Bolkus told the world at large that the proceedings were already under way and that they were in camera. He told them where the proceedings were, which would tip anybody off as to the nature of the proceedings. He outlined that they were in

Spain, the Cayman Islands, the United Kingdom and the Federal Court. He indicated what we were trying to do—that is, seeking to preserve the ownership structure through injunctions. He actually told the journalists that these were in camera proceedings. In other words, he went along and said, ‘This is what they are trying to do privately. Let me tip it all out all over you. Let me see what I can do to make a mess of this.’ That is what he did.

Then, when the press conference was over, Senator Bolkus turned around and said, ‘I cannot give you this, but let me read to you from the Federal Court document.’ He then quoted verbatim from the Federal Court affidavit—never in my possession and, as I am advised, never in the possession of the Insolvency Trustee Service of Australia. In other words, he wants us to believe that he did not leak this story. But, strangely, a few hours after the papers hit the deck in Adelaide, he suddenly had a Federal Court document in his hand, and suddenly knew enough about it to call a press conference and quote the details from it. Senator Bolkus should be sacked as the shadow Attorney-General. He is not competent to be the first law officer.

Senator ABETZ—Madam President, I ask a supplementary question. Minister, the last part of my question dealt with outlining any obstacles to the success of the current legal action. You have outlined a number occasioned by Senator Bolkus, the would-be Attorney-General of this country. Are there any other examples that you can provide to us of obstacles placed in the way of the government in pursuing Mr Skase?

Senator VANSTONE—I thank Senator Abetz. The main obstacle is sitting right over there, Senator Abetz. Mr Donnelly, the trustee of Skase’s bankruptcy, has indicated to the department roughly in these terms: that, of all the information that has been made available to the media, the affidavit material—the material therefore leaked by Senator Bolkus—is without a doubt the most damaging. The would-be Attorney-General sitting over there is in fact the greatest impediment to the government’s proceeding with this matter. Senator Bolkus has a history, Madam Presi-

dent, of either not speaking the truth or speaking with a reckless indifference to the truth; one or the other. In other words, he is either deceptive or incompetent and he should not have his job.

Government Appointments

Senator COOK—My question is to Senator Hill, the Leader of the Government in the Senate. How do you justify the scandalous appointment by the Treasurer of his South Australian Liberal Party mate, Stephen Baker, to the tax-free, \$120,000 per annum, three-year sinecure as an Australian director of the Asian Development Bank in Manila, without any interviews being conducted of any of the 29 applicants, including Mr Baker, and without any appropriate brief from Treasury on the job specifications or required skills of the applicant? Haven't you learnt any lessons from the Jim Short jobs for the boys fiasco last year? Is this an example of what the Prime Minister promised when at the last election he undertook to introduce a new level of openness and honesty in government?

Senator HILL—As I understand it, he applied for the job and was the best applicant. The fact that he had been a previous state Treasurer should not rule him out from applying for jobs and being judged on merit. Apart from his experience as state Treasurer, as I recall it, he has economic qualifications. I know that there is some envy within the Public Service by some who regarded this as their position. But public servants have to be judged against others as well, and in this instance the best applicant was Stephen Baker, and that is why he got the job.

Senator COOK—Madam President, I ask a supplementary question. Of course, there were no interviews conducted for this job. Under which clause of the Prime Minister's *A Guide to Key Elements of Ministerial Responsibility* can the extraordinary actions of the Treasurer be justified? Is it the accountability clause? Will you now give an unequivocal guarantee that a fair, open and transparent process will be followed in all further appointments?

Senator HILL—The government has an interest in ensuring that the best person for

the job gets it in this very important position. Particularly in the current circumstances, I would have thought that Senator Cook would appreciate that an appointment to the Asian Development Bank in the circumstance of economic difficulties in Asia, perhaps even more so than in the past, needs to be the best person for the job. That was the government's interest in this exercise. He was judged against other candidates on his qualifications and experience and was judged, as I understand it, to be the strongest candidate for the job. I have no reason to believe that any other factor than ability to do the job, as demonstrated by qualifications and experience, were the factors that were taken into account in making the decision.

Employment Market Services

Senator STOTT DESPOJA—My question is addressed to the Minister representing the Minister for Employment. Minister, do you agree that your new policy of selling the unemployed to the lowest bidder will result in less assistance to the unemployed to become job ready? Minister, despite your earlier references in question time to an excellent spread of programs, are you concerned that there is no program in place to replace the well regarded, internationally recognised skillshare program which placed 60,000 long-term unemployed people in its last year of work?

Minister, can you guarantee that the unemployed, who have poor skill levels, under your policy will be provided with at least the same level of assistance that they received under the skillshare program? Further, given your objections to the labour market programs under Labor, can you guarantee that the unemployed will not just be dumped into dead-end, 15-hours per week jobs with little opportunity to access skills programs to prepare them for more productive and suitable work?

Senator ELLISON—I thank Senator Stott Despoja for her question. Can I say at the outset that there were a good many skillshare programs that successfully tendered, Senator Stott Despoja, in this round of tenders. In fact, they are very well represented indeed. What is even better is that there is a span of

private community organisations that were successful in this round of tenders. That is not a question of selling the unemployed to the lowest bidder. What, in fact, we are doing, Senator Stott Despoja, is providing incentive payments to those people once they get them a job. In fact, if they have been there for 26 weeks, they get a further payment. We make sure that they have got them a job and that they stay there. That is what this is all about. We have provided incentives for them to find jobs for these unemployed people.

In relation to the training that is involved, I outlined the three training programs that are available. One is the intensive job training program which is for the long-term unemployed. There will be no diminution at all in any of the training programs that are made available to unemployed people. In fact, by the diversity of people involved in this area it will be enhanced.

Senator STOTT DESPOJA—Madam President, I ask a supplementary question. Minister, do you agree that very few skillshares survived? Do you believe that the abolition of job clubs actually aids the process of getting the growing pool of victims of your economic policies back into the workplace? Contrary to your comments earlier in relation to long-term unemployed, are you aware that in the year before the first Costello budget the number of long-term unemployed fell by 45,000 but in the 20 months since the \$1.7 billion job cuts to labour market programs the numbers have shot up by 31,000?

Senator ELLISON—What Senator Stott Despoja fails to realise is that in trend terms long-term unemployment declined 1.3 per cent over the month of January. That is a welcome decline in long-term unemployed. I point out to the Senate that in relation to unemployment we now have a rate of 8.2 per cent. That is well on track to our forecast of eight per cent in June this year. I also remind the Senate that we have a jobs forecast growth of 2.25 per cent. We are on track to meet that. I also say that in January 23,000 new full-time jobs were created—23,000 new full-time jobs. That is all trending in the right direction, Senator Stott Despoja. That combined with our economic growth and with the

new employment services market can spell only good news for Australia's unemployed.

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

ANSWERS TO QUESTIONS WITHOUT NOTICE

Timorese Democratic Union Congress: Visa Applicants

Senator VANSTONE (South Australia—Minister for Justice) (3.02 p.m.)—On 4 December Senator Bourne asked me a question in my capacity representing the Minister for Immigration and Multicultural Affairs. Senator Bourne has been provided with the answer, but I seek leave to have the answer incorporated in *Hansard*.

Leave granted.

The answer read as follows—

Senator Bourne asked a question on 4 December 1997 concerning the reasons for the rejection of visitor visa applications from seven delegates to the Second National Congress of the Timorese Democratic Union that was held in Perth from 3 to 6 December 1997.

The answer is as follows:

There are various legal requirements which need to be met by all applicants before a visitor visa for Australia may be granted. The legal criteria for the grant of a visitor visa require, among other things, that the applicant meets Australia's health and character standards, has adequate funds for support for the period of the visit and intends a genuine visit to Australia. When deciding whether or not an applicant intends a genuine visit, visa processing officers must take into account relevant considerations such as the applicant's personal circumstances, incentive to return home, financial situation and ability to support themselves while in Australia. The likelihood of an applicant overstaying or seeking to remain in Australia is also a matter which has to be assessed.

In addition to the requirement that each applicant satisfy the criterion relating to genuineness, certain applicants are also subject to criterion 4011 of the Migration Regulations, referred to as the risk factor criterion. This criterion requires that persons who have certain characteristics in common with people identified as presenting a relatively high risk of overstay must satisfy the decision maker that there is very little likelihood that they will overstay their visas.

Applicants who are subject to criterion 4011 are identified by objective criteria. These are:

- . persons who have applied for permanent residence in the five years prior to making an application; or
- . persons who have characteristics relating to nationality, age and gender, in common with a profile of people shown by statistics to have overstayed the period of stay in Australia authorised under the visa with which they last entered Australia.

The risk factor is based on transparent and quantitative data which demonstrate that certain classes of entrants present a higher overstay risk than other entrants. Five of the seven applicants who were refused came within the risk factor profile. Applicants are not refused simply because they match the risk factor characteristics. The Migration Regulations provide that the decision-maker is obliged to carefully consider applications subject to the risk factor. A balanced judgement must be made, taking into account the applicant's personal circumstances in the country of usual residence, and weighed against the identified overstay risk factor. If the decision-maker is satisfied that the applicant's expressed intention only to visit Australia is genuine and they meet all other statutory requirements, the visa is granted.

In all, 17 people applied for visas in the Department of Immigration and Multicultural Affairs' Paris office in connection with the Congress. Of these, ten were approved and granted visas and seven were refused. In the case of the seven applicants who were refused visitor visas, all were considered by the decision maker not to meet the bona fide visitor requirement. The rejected applicants supplied, in the main, only an application form and did not attach supporting documentation. Some of the forms were incomplete and did not provide details of contacts where applicants said they would be visiting relatives in Australia. The agency who sent in the application forms initially advised that these applicants would be attending the Congress and then advised by phone a week later that tourism only was intended.

Despite the inadequate information on the forms being explained by the Embassy to the travel agent that submitted the applications, and the limited time before the applicants had to travel, the applicants made no attempt to contact the Embassy to clarify their own situation or to supply the missing information.

The decision maker had no choice but to make a decision on the information available.

Hindmarsh Island Bridge

Senator HERRON (Queensland—Minister for Aboriginal and Torres Strait Islander Affairs) (3.02 p.m.)—Senator Bolkus asked

me during question time about whether we had paid a bill from then Mr Justice Callinan QC. I can tell Senator Bolkus there was no bill paid by the Prime Minister's department at all and a search, as far as we can ascertain, revealed that no bill was sent. Senator Bolkus was mocking the fact that Mr Callinan might have done this pro bono. It would appear so. Senator Bolkus, we will continue our investigation to see whether a bill was sent in any case and get back to him as soon as we can to confirm the statement I have just made.

Natural Heritage Trust

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.03 p.m.)—I move:

That the Senate take note of the answer given by the Minister for the Environment (Senator Hill), to a question without notice asked by Senator Faulkner today, relating to the allocation of grants from the Natural Heritage Trust.

Senators might recall some time ago that the opposition believed and warned that the Minister for the Environment (Senator Hill) and the Minister for Primary Industries and Energy (Mr Anderson) were likely to ensure that the Natural Heritage Trust Fund became a Liberal Party slush fund. I have to say that that warning, which I gave in this chamber during the debate on the bill, has become a reality.

What we now know is this: we know that Senator Crane and Senator Eggleston, members of the parliamentary Liberal Party, were present when Senator Hill made his decisions about funding for grants for Western Australia. That meeting was held in Canberra. We now know that when decisions were being made about grants in Victoria Mr Billson, the member for Dunkley, a Liberal in the House of Representatives, travelled to South Australia to be present at the meeting where Senator Hill made his decisions about those particular grants. We know that Mr Billson worked long and hard to see late applications in relation to grants proposals to be dealt with by the Minister for the Environment.

We know that the minister, Senator Hill, spent an awful lot of time going through the applications apparently but, most importantly,

overturning decisions that had been made by the regional assessment panels, the state assessment panels and recommendations that had been made by his department to him on those particular projects, those particular grants, that were worthy of receiving ministerial support.

Senator Hill's own office was responsible for what I consider to be a classic rort. A whole number of projects that were not considered in the regional assessment panels were wiped out at that level. That means they did not have the benefit of consideration by the state assessment panels. On directions from Senator Hill's own office those particular projects that had not been considered for the state of Victoria—all were rejected—were reconsidered by the department. That occurred because Senator Hill's staff got on to the telephone to departmental officers and said, 'We want to see these grants reassessed.'

We did not know why at the time this occurred but of course it became quite clear through the estimates process that three projects were approved as a result of that process. Lo and behold, one of them related to the Woodhouse Pastoral Co. Lo and behold, that was approved by the minister and—surprise, surprise!—the principals in the Woodhouse Pastoral Co. are the Baillieu family, who of course have been the heaviest political family in the Victorian division of the Liberal Party for generations.

That was approved—a grant for the private benefit of the Woodhouse Pastoral Company controlled by a Liberal establishment family in Victoria. That was one of the three projects that came back into the ring and was approved by this minister as a result of directions from his own office that these grants that had previously been rejected should be considered again. We know that the former directors of that particular company are not only members of the Derrinallum, Flinders, Toorak and Berwick branches of the Liberal Party. My office was rung during question time and I have been told by members of the public that members of the Melbourne branch and Densham branch of the Liberal Party are also associated with this company.

This is a rort. This is a rort that has been perpetrated improperly by staff members of the Minister for the Environment having these projects reviewed for direct benefit of members of the Liberal Party, the same sort of process which saw Liberal Party backbenchers present while this minister made decisions. (*Time expired*)

Senator HILL (South Australia—Minister for the Environment) (3.08 p.m.)—Briefly, I will respond to this amazing beat up by Senator Faulkner. It is true that we were making real efforts to ensure that we get the best outcome in terms of value for dollar and best outcomes in terms of environmental benefit on the ground. We make no apology for that. We make no apology for the fact that the ultimate decisions, as set down by the statute that the Labor Party voted for, rests in the hands of the two federal ministers. We do have an advisory network that helps us in making those decisions. I believe, notwithstanding the complexity of the total task, that we have done an exceptionally good job for the first year.

We have been able to fund over 2,000 community groups Australia wide. That has set the basis for a movement to address some of these major land and water degradation issues in particular that have caused so much damage to rural and regional Australia. We have put a lot of public money into it. We acknowledge that through the sale of part of Telstra and setting up a \$1.1 billion trust. We are pleased to have been able to do that. For too long these major natural resource issues in Australia have been overlooked.

As I said, our objective was to get lasting benefits on the ground, improvements in securing environmental values and the improved management of natural resources. We wanted to ensure the projects were good value for taxpayers' money. We wanted to ensure the projects were feasible and technically sound in investment of trust funds. We wanted the projects to be catalytic rather than displacing activities that would normally be the core business of proponents. We are interested in whether the project proponents were contributing enough to the project to

ensure ownership and long-term commitment to ongoing management.

What this is really all about, just as important as the works on the ground, is educating and motivating a community so that they are no longer just the problem but they can also be part of the solution. We set up a process that did require an assessment at both regional and state levels. At no time did we say that there would be no consideration of matters that were ruled out at that level. In the state of Victoria, as has been said, as I said in question time, there were some difficulties in the first year. That should be quite apparent, even to Senator Faulkner. After the decisions that were made on the basis of the recommendations that came through the SAP, my department did go back and have a look at those that were ruled out at the regional assessment level. Out of the 190-odd projects that my department looked at—

Senator Faulkner—Why did they?

Senator HILL—I have just explained that to you, Senator. Out of the 190-odd projects my department looked at, only three were deemed by my department to warrant funding and I accepted their advice and funded them. In some ways that is good news in that it demonstrates to proponents who were concerned about the Victorian process that really the Victorian government had done a pretty good job. The fact that only three of over 190-odd were found by my department to warrant funding at this time was good news, but that does not mean that many others will not be able to be developed into better projects in the years ahead and receive public support for the good works that are at the basis of them.

The one that Senator Faulkner keeps coming back to because of the identity of the proponent that he has sourced out, as I said, came with the strongest recommendation from my departmental officers. I repeated a little bit of that in question time today. There can be no doubt on the basis of my officers' advice that the decision that was made in relation to that project was based on merit alone and it is a very well warranted project. We have made efforts. We have in the partnership agreement an obligation for us to

agree on RAP and SAP composition for this coming year and for future years. We think that that will be a good initiative in giving us confidence that the RAP/SAP process is working well and also will give greater confidence to proponents who have expressed some concerns.

It has been the first year. It is possible to argue about process, but we do believe that we are getting the money—we have acted in a cautionary way, I can see—to the projects that most justly deserve support and can bring us the greatest benefit in terms of on the ground improvement in environmental outcomes as well as value for money. (*Time expired*)

Senator ROBERT RAY (Victoria) (3.13 p.m.)—Both last Thursday and again today Senator Hill has conceded that maybe not all the processes are quite right yet, and that is something we agree with. It is not surprising we would look at process when there was a nine to one ratio in coalition grants to Labor grants. We were at least then entitled to look to see whether the processes were right. One of the first things that we looked at were the SAPs and the RAPs, as they are abbreviated to. Quite clearly, in relation to the advisory committee, we know at least in Western Australia that Senator Hill had to alter 22 per cent of their decisions affecting 32 per cent of the funding. We do not know what the ratios are in the other states. Senator Hill's department is working on that at the moment and so we can have a look at that later in the week.

But there were some systemic problems in the process here. I do not think Senator Hill is in any way in error to seek the guidance of his coalition backbenchers—Senator Crane, Senator Eggleston and Mr Billson, the member for Dunkley. I think he is taking an extreme risk, though, to seek that advice whilst he is actually in the process of decision making. Yes, you can look to their expertise, but you do that by way of phone or separate meeting, not when you are actually in the process of making a decision. This is even more so in the case of Mr Billson, who flew directly to Adelaide, we understand, for the sole purpose of giving advice.

I will give Senator Hill some advice: he really must rely on his colleagues with some discretion. There is not much point on 15 January accepting advice off Mr Billson, given his previous incarnation, which may make it valuable, and then having him address a meeting of the Frankston council and local Liberal Party members 10 days later saying, 'Boys and girls, if there are problems here and you are in late, I know the minister. I can flip this in. I can give you a show.' That may just have been boasting. That may have had nothing to do with Senator Hill at all, but that leaves him in an awkward position when he has those people inside the room making decisions.

There was, in our view, the odd strange grant. Senator Hill says he is going to improve the SAP and RAP process. Good. I wish him luck with that. The real problem with the Victorian review is that this was not something initiated by the department. We did question them at length. Whilst they were quite evasive for a while, when it was put directly to them whether the department had advised Senator Hill to reopen and reassess these things, the answer was no. We still do not know who did it.

I got the impression at the estimates committee that it was not directly Senator Hill who asked for this particular revision but a member of his staff, which then prompts us to ask the question: on what basis did the member of the staff direct the department to reassess grants almost entirely in the bushcare area, obviously the biggest area? We have heard from Senator Hill that he looked at 190-odd cases, and they found only three of any merit. So we are entitled to be a bit suspicious when the three of any merit—

Senator Hill—Not of any merit.

Senator ROBERT RAY—Not of any merit but deserved a reconsideration—I will correct that, Senator Hill. Are you happy with that? Out of all the grants, one of the three came up. If you were a cynic, you would basically say the other two were put in there in order to protect the third one, which we regard as somewhat dodgy.

I want to know whether the people from Woodhouse Pastoral Co. made representations

to Senator Hill's office. Admittedly, all the scuttlebutt around that particular region was that they did. If they did, Senator Hill's office was very poorly advised to respond on that basis. People would say that bringing in the Baillieus is a bit of McCarthyism. It is not just the Baillieus; there are a variety of people who are directors of the company and of the holding companies here. When you are cross-referencing with a list of the Liberal Party, up they pop everywhere. It is not just a McCarthyism smear to say that this is the cream of the Liberal Party.

The Flinders branch, one of the biggest branches, the Toorak branch, the Derrinallum branch, not so big, the Berwick branch—there they all are, all the establishment figures. It is not as though they are short of a quid either. They have a fair bit. We would want to know a lot more in terms of how this decision protects the environment or just enriches a few of the good old boys from the Liberal Party.

Senator Calvert—How do you know?

Senator ROBERT RAY—I know they are old money, Senator Calvert. They are nowhere near as flash as Lloyd Williams, Walker and the rest of the new establishment whom you would not get on with terribly well. They are all old money like you, Senator Calvert, but the fact is they do not need a helping hand. (*Time expired*)

Senator IAN MACDONALD (Queensland—Parliamentary Secretary to the Minister for the Environment) (3.19 p.m.)—All senators will know that there are an enormous number of environmental problems right throughout Australia. Regrettably, most of them are in rural and regional Australia in the bush areas. It was this that the Natural Heritage Trust was set up to address.

Regrettably, the Labor Party has been against looking after environmental problems in Australia right from the word go. It opposed at great length the sale of one-third of Telstra, the sale of which enabled the government to spend over \$1 billion on repairing the environment in Australia. The Labor Party fought that. It opposed the setting up of the Natural Heritage Trust and, ever since, it has

one Liberal, one Liberal, then ALP, ALP, ALP, ALP, National, ALP, ALP. And it goes on.

Of course, there were more Labor Party seats in the city and we would expect more money for better cities projects to go to Labor seats—just as we would expect more money to go into rural seats when looking at the environment, landcare and coastcare. When you look at a map of Australia of how many rural seats the Labor Party have got, you see that you have Burke in Victoria and a bit of rural area in Corio. You look at the map and find four little blobs of Labor Party seats in rural areas. So you would expect to see grants going to Liberal and coalition seats.

We sat through those estimates committees on Thursday and heard that the Labor government of New South Wales appointed the chairman of the sacked committee. Where were the grants there? The majority of them were in coalition seats. There was one grant that the government asked to be reviewed, and it was in Mr Fischer's seat. So the Labor government in New South Wales was asking for a grant to be actually given to a coalition seat.

If you looked at the number of grants that went to city areas, you would find that about 15 or 17 per cent more—I cannot remember the exact figure—went to Labor city electorates. You do not get up and talk about that. You forget to mention that. You forget to mention that those grants went to Labor electorates. If you looked at the number of applications, you would see that 2,180 projects were put up by the states and 86 per cent of them were for coalition seats. You cannot expect to have grants going to Labor seats if the significant majority of applications were from coalition seats. It is a beat-up. It is an absolute beat-up.

The Labor Party cannot actually get it around their head that we have done something. We have not done as you did and just spent the money from selling the Commonwealth Bank. We have used it to get us out of the debt you put us in, plus we have set up this fund for the future. You did not do that. When the Labor Party sold off the silver, you spent it. You sold off the silver and you spent

it, and you cannot cope with the fact that we have used the money to do something that you neglected for 13 years. We have done something for the salinity in the Murray-Darling Basin.

The degradation of Australia's natural heritage went on and on for 13 years and you did nothing about it. Now when there has been a real attempt to make this system of delivering grants to community organisations as transparent as possible, all you have done is carp because you cannot get your head around the fact that this money is going to go into coalition seats because there are many more coalition seats in regional areas. It is a furphy.

I think it would be better if the Labor Party concentrated more on other issues, such as forming a policy about how you are going to raise the money for all the spending you are going to do. I hear shadow minister after shadow minister saying they are going to spend, spend, spend. Where are you going to get the money? You are not going to sell the rest of Telstra. What are you going to do? Where are you going to get the money for all this spending? You are not going to get it by sitting there criticising and carping what Senator Hill has attempted to do in putting down a system and method—and he has admitted there needs to be changes to it—of delivering the money to where the problem is. That is what we were doing. We were delivering the money to where the problem is, not using a whiteboard to flash it around to our own seats.

Senator CARR (Victoria) (3.29 p.m.)—This is a proposition that goes right to heart of the stickiness of this government. What you have got is a government that is determined to get into the sleaze business. What you have got is a government that cannot even organise a rort in this way without getting sprung. What you have got is a government that clearly has been sprung. You have got Senator Eggleston and other senators from each of the states who have been clearly involved in dishing out moneys to the coalition seats in a way that quite clearly demonstrates that the Natural Heritage Trust was nothing but a slush fund for the Liberal Party

to sustain the Liberal Party and its election campaign coming later this year.

You have demeaned what many people somewhat mistakenly and naively believed was going to be a genuine effort to protect the environment. This is about protecting the environment of Liberal Party members. It is a device by which you, Senator Hill, have organised the funds of this Commonwealth to protect your mates in various marginal seats across this country. Quite clearly, in Victoria—as has been demonstrated again and again—conservative interests are getting disproportionate benefits out of this fund. It has nothing to do with actually protecting the environment.

Senator Robert Ray—98.8 per cent you got!

Senator CARR—You have 98.8 per cent of the programs going to coalition members. You have administrative arrangements that quite clearly are designed to protect the interest of those coalition members. You have here Senator Calvert, Senator Eggleston and various others involved in what is, quite clearly, a stitch-up.

Senator Faulkner—Senator Calvert was not involved.

Senator CARR—If Senator Calvert was not involved then every other Liberal backbencher seems to have been involved.

Senator Robert Ray—Eggleston.

Senator CARR—Senator Eggleston, Senator Crane, and how many other Victorians were there? What you can say is it will not have been Senator McGauran because, as the Premier of Victoria indicates, he is not up to the job.

It is quite apparent in all of these arrangements that many people mistakenly believed that this government was serious about protecting the environment. You have stolen the assets of the people with the sale of Telstra. You have channelled that money into a natural heritage fund and then you have rorted the arrangements to ensure that conservative parties get an unfair advantage in the way in which those programs are spent. It is a disgrace. It is a rort. As Senator Ray and Senator Faulkner have clearly demonstrated, these

measures are aimed at protecting disproportionately the political interests of the coalition parties.

The natural heritage fund, of course, was supposed to be a billion dollar fund for various green interests. In fact, it has become a device to protect the fencing and sewerage arrangements of one of the wealthiest families in the state of Victoria. You are seeing an allocation of \$52,000 for a fence for a pastoral company owned by the Baillieu family—people who, of course, know a great deal about organising public affairs to protect their interests. You are seeing a fence being provided by the Commonwealth to protect the Victorian regional assessment panel, which had rejected such a proposal and, through the intervention of Senator Hill's office, was quite transparently involved in a program to actually rort those funds to protect the only Liberal Party applicant in the seat of Corio. That is terrific, isn't it? You pick out the Labor seat of Corio, you find the Liberal Party members who have made application and you make sure they receive preferred treatment.

Senator Crane, Senator Eggleston and Mr Billson, the member for Dunkley, were also involved in this process in a way which is quite clearly inappropriate for the way in which governments ought to be administering public funds. I ask Senator Hill to explain to us how that can possibly be defended. How can it possibly be defended that you got Liberal Party backbenchers—

Senator Faulkner—It is not really the best practice of the Auditor-General in the administration of grants.

Senator CARR—The point Senator Faulkner makes is very clear. It is totally inappropriate to get your mates into the room to organise, in private session, devices to ensure the political preferment of particular interests which are close to the Liberal Party—in the case of the Baillieus, they are right at the heart of the Liberal Party in Victoria. It is quite clearly a rort. Minister Hill, you know it is a rort. Everyone understands it to be a rort. And you have set out to provide a political slush fund to advance the interests of the Liberal Party in a disgraceful manner.

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

Question resolved in the affirmative.

CONDOLENCES

Roger Levinge Dean, CBE

Roger Francis Shipton

The DEPUTY PRESIDENT—It is with deep regret that I inform the Senate of the death, on 7 January 1998, of Roger Levinge Dean, CBE, a former member of the House of Representatives for the division of Robertson, New South Wales from 1949 to 1964; and on 19 January 1998 of Roger Francis Shipton, a former member of the House of Representatives for the division of Higgins, Victoria, from 1975 to 1990.

PETITIONS

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

East Timor

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

The Petition of the undersigned draws to the attention of the Senate Indonesia's continued denial of human rights to the people of East Timor.

Your Petitioners ask the Senate to call on the Australian Government to:

1. actively support all United Nations resolutions and initiatives on East Timor;
2. actively support the right to self-determination of the people of East Timor;
3. work for the immediate release of all Timorese political prisoners;
4. repeal the Timor Gap Treaty; and
5. stop all military cooperation and commercial military activity with Indonesia.

by **Senator Bourne** (from 68 citizens).

Uranium

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

The petition of the undersigned strongly opposes any attempts by the Australian government to mine uranium at the Jabiluka and Koongara sites in the World Heritage Listed Area of the Kakadu National Park or any other proposed or current operating site.

Your petitioners ask that the Senate oppose any intentions by the Australian government to support

the nuclear industry via any mining, enrichment and sale of uranium.

by **Senator Bartlett** (from 1,337 citizens) and

Senator Bourne (from 92 citizens).

Logging and Woodchipping

To the Honourable President and Members of the Senate in Parliament assembled. The petition of the undersigned shows:

Australia's old growth forest and wilderness areas are being diminished as a result of continued logging. The Federal Government has granted new woodchip export licences despite its agreement for a moratorium on logging in high conservation areas.

Your petitioners ask that the Senate should:

apply conditions retrospectively to woodchip licences in order to meet Commonwealth obligations, and

exclude from licenses, woodchip derived from old growth forests and wilderness areas.

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

Australian Broadcasting Corporation

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

The petition of the undersigned recognises the vital role of a strong and comprehensive Australian Broadcasting Corporation (ABC) and asks that:

1. Coalition Senators honour their 1996 election promise, namely that "The Coalition will maintain existing levels of Commonwealth funding to the ABC".
2. The Senate votes to maintain the existing role of the ABC as a fully independent, publicly funded and publicly owned organisation.
3. The Senate oppose any weakening of the Charter of the ABC.

by **Senator Bourne** (from 257 citizens).

Native Title

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

The Petition of the undersigned requests that the Aboriginal and Torres Strait Islander peoples of this country are treated justly and fairly. It is in the interest of all to build this nation in a spirit of reconciliation and cooperation with Australians of diverse racial and ethnic backgrounds.

We call on you to ensure that regional agreements with Aboriginal and Torres Strait Islander peoples are pursued in good faith, so as to determine their rights to their land in a spirit of reconciliation.

The co-existence of Native Title and Pastoral Leases on Crown Land is supported by legal principle and historic fact, upheld by the High Court. The people and Governments of Australia have a moral responsibility to give this fact real and just effect.

We call on members of the Senate to ensure that legislation regarding Native Title

(i) complies with internationally recognised principles of non-discrimination; and

(ii) promoted Reconciliation with Australia's first peoples.

by **Senator Lees** (from 63 citizens) and

Senator Stott Despoja (from 8 citizens).

Timed Local Calls

A Petition to the Honourable the President and Members of the Senate in Parliament assembled.

This petition of certain residents in the State of Queensland draws to the attention of the Senate the harsh and regressive decision by the Howard Government to allow telecommunications carriers to charge timed local calls for data communication services such as electronic mail, facsimile, the internet and other on-line services. This measure will adversely affect business and individual users of the above services, and particularly hamper the operations and growth of small business.

Your petitioners call on the Senate to request that the Howard Government rescind their decision, and ensure local data communication services are charged on an untimed basis.

by **Senator Hogg** (from 3,253 citizens).

Timed Local Calls

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

The petition of certain citizens of Australia draws to the attention of the Senate the regressive decision by the Howard Government to allow small businesses to be charged for timed local calls on data services such as electronic mail, facsimile, the internet and other on-line services. This measure, if implemented, will have an adverse effect on the profitability, development and growth of small businesses across Australia.

Your petitioners therefore pray that the Senate recognise that timed local calls on data services is an untenable proposition for small business. We call on the Howard Government to live up to its election promise to guarantee untimed local calls for small business in both voice and data services.

by **Senator Murphy** (from 688 citizens).

Live Sheep Export Trade

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

The petition of the undersigned shows:

Opposition to the Live Sheep Export Trade on the grounds that it is inhumane in the extreme, is a contributing factor to unemployment within Australia, has adverse effects on residents and is environmentally harmful.

Your petitioners request that the Senate call upon the Australian Government to ban the export of live sheep immediately and actively pursue the frozen carcass alternative.

by **Senator Margetts** (from 731 citizens).

Cruelty in Animal Transport

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

The People Against Cruelty in Animal Transport (PACAT) and the other undersigned residents of Australia are deeply concerned at the continuation of the live sheep trade for the following reasons:

- (i) It is inhumane in the extreme,
- (ii) is a contributing factor to unemployment within Australia,
- (iii) has adverse effects on residents, and
- (iv) is environmentally harmful.

Your petitioners, therefore humbly pray that the Senate call upon the Australian Government to ban the export of live sheep immediately and actively pursue the frozen carcass alternative.

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

by **Senator Margetts** (from 2,190 citizens).

Sydney Airport

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

The petition of the undersigned shows:

- (a) a proposal has been made by the Department of Transport to build a major no-curfew international airport in Sydney's western suburbs;
- (b) airports and attendant infrastructure are a major source of air and noise pollution;
- (c) Western Sydney already suffers from the worst air pollution in Australia;
- (d) an additional airport in the Sydney airshed will only serve to greatly increase such pollution; and
- (e) an airport in Sydney's west will harm the lifestyle and wellbeing of citizens living and working within the Sydney airshed.

Your petitioners therefore request that the Senate not pass any bill which would lead to the construction of any new airport within the Sydney airshed.

by **Senator Bourne** (from 45 citizens).

**Great Northern Highway: Western
Australia**

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

The Petition of the undersigned shows that the proposed major realignment of that section of the Great Northern Highway between Waddington and Miling in Western Australia is opposed as an extravagant duplication of roading through this district. The proposed major realignment will decimate a valuable and highly productive farming community. Maintenance of the existing alignment as a local road will place an enormous financial burden on ratepayers.

Your petitioners request that the Senate give immediate consideration to directing funds towards a major upgrade of the existing alignment to the standard required of a National Highway serving the agricultural, mining and tourism industries.

by **Senator Crane** (from 562 citizens).

Multilateral Agreement on Investment

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

The Petition of the undersigned draws to the attention of the Senate, the deleterious effects of the Multilateral Agreement on Investment.

Your petitioners ask the Senate to call on the Australian Government to:

1. Make available the draft text of the Agreement
2. Make a public statement about its intentions with regard to the signing of the MAI, detailing the beneficiaries of the Agreement, and accountability measures for all corporations
3. Not sign the MAI unless substantial amendment is made, including the observance of international agreements including environment, labour, health and safety and human rights standards
4. Extend the deadline for signing the MAI to enable full and proper public consultations to be held

by **Senator Bourne** (from 761 citizens).

Petitions received.

NOTICES OF MOTION

Katherine Floods

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Social Security)—I give notice that, on the next day of sitting, I shall move:

That the Senate notes:

- (a) the devastation caused by the record flooding in the town of Katherine, in the Northern Territory, which inundated 1 100 private dwellings and every business and government office in the central business district of the town on Australia Day, 26 January 1998;
- (b) the destruction of the Daly River township and surrounding farmland which was covered by floodwater on 4 February 1998;
- (c) the exemplary response to the disaster by the Northern Territory Police, Fire and Emergency services, under the command of Commander Maurice Burke, and the Australian Defence Forces under the command of Group Captain Crowhurst and Group Captain Ward;
- (d) the special efforts of the Member for Katherine (Mr Reed) who not only supervised the relief effort as Emergency Services Minister but personally assisted in the evacuation of residents from their homes, and the contribution of the Member for Victoria River (Mr Baldwin) who is now coordinating the clean up of Daly River;
- (e) the immediate response of the Prime Minister (Mr Howard) to the disaster in establishing the Commonwealth Emergency Payment scheme to provide cash relief of \$1 000 to affected adults and \$200 to affected children, which has subsequently paid out \$7 930 000, as at 27 February 1998;
- (f) the Federal Government's involvement in the implementation of a \$10 million package to assist the business community, which had paid \$5 110 000 to 511 Katherine businesses, as at 27 February 1998;
- (g) the dedication of Commonwealth agency staff, including those employed by Centrelink, Australia Post and Telstra, in acting beyond the call of duty following the disaster;
- (h) the continuing effort of the Red Cross in establishing the Flood Appeal Committee as well as in providing emergency supplies to flood victims; and
- (i) the commendable spirit and energy of the residents of Katherine and flood-affected

regions in reconstructing their lives and community.

Treaties Committee

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

That the following matter be referred to the Joint Standing Committee on Treaties for inquiry and report by 25 May 1998:

Consequences for Australia arising from the Multilateral Agreement on Investment (MAI) currently being negotiated in secret by the Australian Government at the Organisation for Economic Co-operation and Development, with particular reference to:

- (a) the ability of countries to impose conditions on foreign investment;
- (b) the ability of countries to establish limits on foreign investment;
- (c) the implications arising from the 'roll back' and 'standstill' provisions;
- (d) the ability of countries to pursue social, environmental, labour, cultural, human rights and indigenous protections and the impacts for each of these sectors resulting from foreign investment regimes under the MAI;
- (e) any implications for Australia's national debt and current account deficit of the growth in foreign investment the MAI is expected to bring;
- (f) the MAI's dispute handling procedures;
- (g) the issue of the constitutionality of the MAI for Australia;
- (h) the impact on agricultural and manufacturing sectors; and
- (i) the impact on State, Territory and local governments.

Economics Legislation Committee

Senator FERGUSON (South Australia)—I give notice that, on the next day of sitting, I shall move:

That the Economics Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 5 March 1998, from 3 pm to 5 pm, to take evidence from Professor Fels as part of the committee's examination of additional estimates.

Multilateral Agreement on Investment

Senator MARGETTS (Western Australia)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

- (a) expresses grave concern at the progress of the Multilateral Agreement on Investment and its potential to undermine many aspects of Australia's ability as a nation to regulate aspects of its economy, including:
 - (i) the regulation of specific foreign investments,
 - (ii) the impact of foreign domination of sectors of our economy,
 - (iii) the take-over and control of Australian businesses,
 - (iv) the ability to penalise or hold corporations accountable for major environmental or social harm,
 - (v) the ability of Government to set requirements for foreign investors,
 - (vi) the ability of foreign corporations, rather than national governments, to set public agenda on privatisation and the operation of public monopolies, and
 - (vii) the ability of nations to develop effective industry policy; and
- (b) calls on the Government to discontinue negotiations on the treaty.

Multilateral Agreement on Investment

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

That there be laid on the table, by the Minister representing the Treasurer (Senator Kemp), no later than 2 pm on 9 May 1998, the following documents:

The full draft text of the Multilateral Agreement on Investment being negotiated by treasury officials at the Organisation for Economic Co-operation and Development, including the text itself, whether in draft or final form, and the complete list of reservations, and their accompanying text, that Australia wishes to attach to the text under negotiation.

Senator Julian McGauran

Senator ROBERT RAY (Victoria)—I give notice that, on the next day of sitting, I shall move:

That the Senate notes:

- (a) Senator McGauran's call for the National President of the Royal Society for the Prevention of Cruelty to Animals, Dr Hugh Wirth, to resign over comments made about live sheep exports;
- (b) the comments made by the Premier of Victoria (Mr Kennett) that, 'I think if any-

one should resign I think it is Julian. He is unfortunately not our best Senator’;

- (c) that Mr Kennett went on to say, ‘he makes erratic comments on a regular basis and I continually question his worthiness to represent the views of Victorians in the Senate . . . in my opinion he just unfortunately isn’t up to the task’; and
- (d) that Mr Kennett concluded by observing, ‘so Hugh Wirth is doing us all a service. Poor old Julian just jumps in, no thought, no understanding and makes an absolute geek of himself’.

Consideration of Legislation

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

That the following message be sent to the House of Representatives:

The Senate requests the House of Representatives to resume consideration of the Native Title Amendment Bill 1997 and the public service package of bills, which were laid aside on the motion of the Government on 5 and 6 December 1997, to reconsider those of the Senate amendments which were disagreed to by the Government and to agree to those amendments. This will enable the best available settlement of outstanding questions relating to native title and the public service to be achieved without further delay, a delay which the Prime Minister (Mr Howard) has said should be avoided.

Certain Government Accountability Matters Committee

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate)—I give notice that, on the next day of sitting, I shall move:

- (1) That a select committee, to be known as the Select Committee for an Inquiry into Certain Government Accountability Matters, be appointed to examine and report, on or before 30 June 1998, on the following:
 - (a) the operation of the program now known as the Natural Heritage Trust Program, with particular reference to:
 - (i) the nature and extent of the respective roles of the administering departments and ministers and their advisers and staff in the process of selection of successful applications,
 - (ii) the role of the bureaucracy and, in particular, the administering departments and the Department of Finance

and Administration in safeguarding against fraud and political bias, and

- (iii) the role of the Auditor-General in safeguarding against fraud and political bias; and
- (b) with respect to the future administration of similar programs, any safeguards or guidelines which might be put in place to ensure proper accountability for the expenditure of public moneys, including:
 - (i) examples of successful programs,
 - (ii) standard principles to be adopted in selection procedures,
 - (iii) the availability of documented reasons for decisions, and
 - (iv) the improvement of current auditing procedures.
- (2) That the committee consist of 7 senators, 2 nominated by the Leader of the Government in the Senate, 3 nominated by the Leader of the Opposition in the Senate, 1 nominated by the Leader of the Australian Democrats and 1 nominated by the Greens (WA), Australian Greens and independents.
- (3) That:
 - (a) the committee appoint a Commissioner to assist it with its inquiry;
 - (b) the Commissioner be a person who is or has been a judge of a superior court, or is or has been a senior counsel; and
 - (c) the committee is to act in accordance with the following principles:
 - (i) that it at all times take care to protect, so far as it is proper and reasonable to do so, the privacy, confidentiality, rights and reputations of individuals, whether appearing as witnesses before the committee or otherwise,
 - (ii) that it summon witnesses to appear personally only when satisfied that the circumstances demand it, that, so far as is possible, witnesses be given notice of the matters proposed to be dealt with, and that witnesses be given an opportunity to reply in writing before appearing to give evidence, and
 - (iii) that it give specific consideration in the case of each proposed witness to the desirability of hearing evidence *in camera*, if it is proper and reasonable to do so, and that each witness be given an opportunity to apply for any or all of his or her evidence to be given in private.

- (4) That the committee proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.
- (5) That:
- (a) the chair of the committee be elected by the members of the committee;
 - (b) in the absence of agreement on the selection of a chair, duly notified to the President, the allocation of the chair shall be determined by the Senate;
 - (c) the deputy chair of the committee be appointed by the chair from the members of the committee immediately after the election of the chair;
 - (d) that the deputy chair act as chair when there is no chair or the chair is not present at a meeting; and
 - (e) in the event of the votes on any question before the committee being equally divided, the chair, or the deputy chair when acting as chair, have a casting vote.

The DEPUTY PRESIDENT—Senator Faulkner, is that the usual routine?

Senator FAULKNER—No, it is not the usual routine. It is not without precedent.

Senator Robert Ray—I rise on a point of order. Isn't this resolution exactly the same as the one that Senator Hill moved in 1994, but for two minor amendments? I think it is. I am suffering from a sense of *deja vu*!

The DEPUTY PRESIDENT—There is no point of order.

Senator FAULKNER—My notice of motion continues:

- (6) That the quorum of the committee be 4 members.
- (7) That the committee and any subcommittee have power to send for and examine persons and documents, to move from place to place and to sit in public or in private, notwithstanding any prorogation of the Parliament or dissolution of the House of Representatives.
- (8) That the committee have power to appoint subcommittees consisting of 3 or more of its members, and to refer to any such subcommittee any of the matters which the committee is empowered to consider, and that the quorum of a subcommittee be a majority of the senators appointed to the subcommittee.
- (9) That the terms of reference of the inquiry be appropriately advertised in the media and

members of the public be invited to make written and/or oral submissions to the committee on matters related to the reference.

- (10) That the committee be provided with all necessary staff, facilities and resources and be empowered to appoint persons with specialist knowledge for the purposes of the committee, with the approval of the President.
- (11) That the committee be empowered to print from day to day such documents and evidence as may be ordered by it, and a daily *Hansard* be published of such proceedings as take place in public.
- (12) That the committee may report from time to time its proceedings and evidence taken or any interim conclusions or recommendations arising from its inquiry, and may make regular reports on the progress of its proceedings.

Kyoto: Climate Change Convention

Senator MARGETTS (Western Australia)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

- (a) communicates its view to the Government that, in relation to the Kyoto Climate Change Convention, the outcome was unacceptable due to the:
 - (i) failure to adequately address the reality of climate change,
 - (ii) failure to recognise that though Australia has a small proportion of the world's population, it has a disproportionately large area of land which is highly vulnerable to climate change, and
 - (iii) failure to acknowledge that Australia is, on a per capita basis, a very high emitter of greenhouse gases; and
- (b) notes that:
 - (i) Australia's failure to take effective action to systemically and permanently reduce its total actual greenhouse gas emissions will send signals to its neighbours that they need do no more, particularly since their development needs are far more pressing than Australia's, and
 - (ii) the Government, in its actions in relation to the summit, has totally failed to represent the views of the majority of Australian people, who are highly supportive of environmental protection in general and of action on global warming in particular.

Multilateral Agreement on Investment

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

That the Senate—

- (a) notes the growing international concern about the operation and content of the Multilateral Agreement on Investment (MAI);
- (b) recognises the need for Australia to continue to regulate foreign investment according to human rights, environmental and labour protections, consistent with the national interest;
- (c) believes the Government should not become a signatory to any agreement which seeks to sacrifice Australia's ability to develop any policy or law designed to protect its economy, environment and human rights protections, or that which protects Australia's national interest; and
- (d) calls on the Government not to sign the MAI, on the grounds of labour, environmental and human rights concerns, until such time as the Organisation for Economic Co-operation and Development agrees that the MAI will include international labour, environmental and human rights standards as binding clauses.

PERSONAL EXPLANATIONS

Senator IAN MACDONALD—Under standing order No. 191, I would like to make an explanation of something I said in my previous speech. Senator Carr might want to follow me. I said that the Woodhouse Pastoral Company was in the Labor electorate of Corio. It is, in fact, in the Labor electorate of Lalor.

COMMITTEES

Superannuation Committee

Meeting

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

That the Select Committee on Superannuation be authorised to hold a public hearing during the sitting of the Senate today, from 8 p.m. to take evidence for the committee's inquiry into the choice of superannuation fund.

Rural and Regional Affairs and Transport References Committee

Extension of Time

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

That the time for the presentation of the report of the Rural and Regional Affairs and Transport References Committee on the commercial utilisation of native wildlife be extended to the last day of sitting in May 1998.

ORDER OF BUSINESS

Socio-Economic Consequences of the National Competition Policy

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

That general business notice of motion No. 688 standing in the name of Senator Margetts for today, relating to the appointment of a select committee on the socio-economic consequences of the national competition policy, be postponed till 9 March 1998.

NOTICES OF MOTION

Employment, Education and Training References Committee

Senator BOURNE (New South Wales)—On behalf of Senator Allison, I withdraw business of the Senate notice of motion No.1.

ORDER OF BUSINESS

Government Business

Motion (by **Senator Ian Macdonald**)—by leave—agreed to:

That the following government business orders of the day be discharged from the *Notice Paper*:

- No. 32 Veterans' Affairs Legislation Amendment (1996-97 Budget and Other Measures) Bill 1997.
- No. 33 Reform of Employment Services Bill 1996 [1997].
- Reform of Employment Services (Consequential Provisions) Bill 1996 [1997].
- No. 34 Budget Statement 1997-98—Statement and documents.
- No. 36 Budget Statement 1996-97—Statement and documents.
- No. 37 Vietnam Veterans' Delegation to Vietnam—Ministerial statement.
- No. 38 Defence policy initiatives—Ministerial statement.

- No. 39 Health policy for the veteran community in rural and remote areas—Ministerial statement and document.
- No. 40 National Health and Medical Research Council—60th anniversary—Ministerial statement.
- No. 41 Australia's 1996 APEC individual action plan—Ministerial statement and document.
- No. 42 APEC leaders' meeting—Ministerial statement.
- No. 43 Commonwealth policy on local government—Ministerial statement and documents.
- No. 44 Trade outcomes and objectives—Ministerial statement and document.
- No. 45 Outcome of the Board of Inquiry into the Black Hawk training accident of 12 June 1996—Ministerial statement and document.
- No. 46 More time for business—Ministerial statement and document.
- No. 47 Foreign and trade policy—Ministerial statement and document.
- No. 48 Defence reform program—Ministerial statement and documents.

Australian Workplace Agreements

Motion (by **Senator Chris Evans**, at the request of **Senator Mackay**) agreed to:

That general business notice of motion No. 641 standing in the name of Senator Mackay for today, proposing an order for the production of documents by the Minister representing the Minister for Workplace Relations and Small Business (Senator Alston), be postponed till 30 March 1998.

Genetic Manipulation

Motion (by **Senator Bourne**, at the request of **Senator Stott Despoja**) agreed to:

That general business notice of motion No. 875 standing in the name of Senator Stott Despoja for today, relating to the appointment of a select committee on genetic manipulation, be postponed till 4 March 1998.

Introduction of Legislation

Motion (by **Senator Bourne**, at the request of **Senator Stott Despoja**) agreed to:

That general business notice of motion No. 923 standing in the name of Senator Stott Despoja for today, relating to the introduction of the Captioning for the Deaf and Hard of Hearing Bill 1998, be postponed till 7 April 1998.

IRAQ

Senator HILL (South Australia—Leader of the Government in the Senate)(3.54 p.m.)—by leave—I move:

That the Senate:

- (a) condemns Iraq's past non-compliance with UN Security Council resolutions, including Resolution 687, requiring inspections and the destruction of Iraq's weapons of mass destruction, and calls on Iraq to abide fully by them;
- (b) welcomes the UN Secretary-General's agreement with Iraq committing Iraq to accord UNSCOM and the IAEA immediate, unconditional and unrestricted access, and notes the Secretary-General's view of the importance of the prospect of military force in supporting diplomatic efforts to achieve such an agreement;
- (c) affirms its support for ADF personnel deployed to the Gulf and Australia's other efforts to ensure Iraq's compliance with UN resolutions and uphold the effectiveness of the UN inspection regime;
- (d) affirms its support for the international community taking appropriate and necessary measures in the event that Iraq does not honour the commitments it has now made, and in this context affirms that continuing deployment of forces in the Gulf is appropriate while Iraq's commitments are tested; and
- (e) looks forward to the satisfactory completion of the work of UNSCOM and the IAEA as a major contribution to world security and an important step towards achieving a Middle East free from weapons of mass destruction as recognised in Resolution 687.

It is the usual practice of governments to bring a motion covering such matters to the attention of the parliament at the first available opportunity after dire decisions, such as were made during the break, have been made by the government. This is, one could argue, the most weighty of all decisions that a government can make and one that is obviously made only after the most careful of consideration; and such was the case here.

In our view, it is important—notwithstanding the fact that the government in its executive role made the decision—for the parliament to have the opportunity firstly to confirm the basis for which that decision was made; secondly, to affirm the decision that the government did make which did deploy Australian forces; and, thirdly, to recognise

and affirm the support by the parliament, on behalf of the whole community, for the action that has been taken.

The vast majority of Australians understand that this has been an issue which goes to the heart of the future security of our world, to the effectiveness and credibility of monitoring regimes established by the United Nations and to the capacity of the international community to preserve security in the face of threats from a regime which has thumbed its nose at the civilised world. Some have argued in the past that Iraq is a long way from Australia and that we should not get involved. That is not Australia's view.

The reality, in our view, is that this is an issue which directly engages Australia's national interests. It is in our interests that weapons of mass destruction do not spread; it is in our interests that rogue behaviour be stopped; and it is in our interests that the United Nations have the capacity to effectively monitor whether Iraq is abiding by its obligations. It is particularly so against a background where we are not talking about abstract threats.

Saddam has used chemical weapons against his own people. He likes to refer to the fact that UNSCOM is the problem rather than his own regime. But UNSCOM has discovered some 38,000 chemical weapons, nearly half a million litres of chemical agents which go into these awful weapons, as well as a biological weapons plant, missiles and warheads. So this was no abstract threat that the international community was addressing in this particular instance.

We still hope that military action will not be necessary but we must also recognise that it is only the willingness of the United States and its coalition partners to back diplomacy with a credible and legitimate threat of direct action which has made possible the successful diplomacy of the Secretary-General. As Kofi Annan himself said, 'You can do a lot with diplomacy but, with diplomacy backed up by force, you can get a lot more done.' I think it is a widely held view that if it were not for the willingness of the coalition partners to exercise force, then it would have been highly

unlikely that Mr Annan would have come back with a successful result to his mission.

The result is now one of hope. Everyone wants a peaceful solution. Nobody wishes to see the resort to armed action. The real test now is what Saddam does. Regrettably in the past we have heard so much and so many promises have been broken, and there is now that test again. It is also important that the regime in Iraq recognise that the international community is not going to tolerate continuing misbehaviour of the type that he has exercised in the past and, if force is necessary, is prepared to exercise that force.

I wanted to particularly take this opportunity to recognise the contribution of our armed forces. They are courageous; they are well trained; they are committed to our protection, whether it be direct or indirect. It is something for which we should be very proud and a commitment of service that we, as parliamentarians, should acknowledge. We allow the parliament to do so in the terms of this motion.

We trust that they will be returned to Australia without having to be deployed into action. We certainly trust that in this instance Iraq will honour the commitments that it has made to the United Nations, will allow the inspection to continue in the terms of that agreement, and that the international community may have greater confidence that changes are occurring in Iraq which will not provide the threat that has been evident in the past.

Let me also briefly acknowledge the support that we received from the opposition in this instance in this very difficult decision. I think it is also very important for the Australian people to see that there was bipartisan support for the decision that the government took in this instance.

Lastly, let me take the opportunity to commend the Secretary-General of the UN and his staff for the efforts that they have made. It does demonstrate that international diplomacy well led and with the backing of necessary force can, on occasions, achieve peaceful resolutions. The peaceful resolution is always, of course, our preferred option. I commend the motion to the Senate.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (4.03 p.m.)—I rise to support the motion that has been moved by Senator Hill on behalf of the government and, of course, I do so on behalf of the opposition. Can I say at the outset that I think it is essential this parliament provide its full and unqualified support to our troops who are currently serving in the Middle East. Our thoughts and our best wishes are with them all, and our thoughts are also with their families and loved ones who are anxiously waiting for their safe return.

Our hope remains that this force will not be required. At this stage, we can express some real optimism that conflict has been averted. In doing so, let me join the Leader of the Government in the Senate (Senator Hill) in expressing our deep debt of gratitude to the United Nations Secretary-General, Kofi Annan. His efforts in negotiating with Saddam Hussein and in providing a diplomatic solution may well save thousands of lives, providing that Saddam Hussein honours in full the weapons inspection agreement.

We now wait for Saddam Hussein's demonstration of his commitment to this new agreement. This is the critical sticking point. Saddam Hussein has made important commitments and has been party to important agreements in the past, in particular a commitment that Iraq would fulfil its obligations under the Security Council Resolution 687, establishing cease-fire terms and the requirement that Iraq provide all information and assistance to identify any chemical or biological weapons stored in Iraq. However, Saddam Hussein's record is one of non-compliance. He has consistently failed to comply with the United Nations Security Council resolutions and he has obstructed the work of UNSCOM. At the same time, Saddam Hussein has consistently striven to acquire chemical and biological weapons of mass destruction.

Labor offered its support to this mission and it offers its support to this motion because of its strong belief that chemical and biological weapons of mass destruction rank as one threat, if not the greatest contemporary threat, to world security. Saddam Hussein has demonstrated not only ownership of these abhor-

rent weapons but, as we all know, a preparedness to use them, even against his own people.

Let there be no mistake, he has chosen very deliberately to develop this capability, and he has chosen consistently to conceal that capability from the international community. He has chosen this capability because it represents the cheapest available means of mass extermination that is known to modern science. These are poor man's nuclear weapons. Large quantities of his stockpile of chemical and biological weapons remain unaccounted for. They include nerve gas and anthrax. Iraq may also still have operational ballistic missiles with which to deliver these payloads.

Australia may not share borders with the countries of the Middle East, but we share a common humanity. Chemical and biological agents do not respect national borders and our efforts to eradicate them must span across national borders. We pursued their elimination vigorously when we were in office. In this regard I think it is proper to acknowledge the sterling efforts of my colleague Gareth Evans's role in the chemical weapons convention. We did this because these weapons would kill an Australian as surely as they would kill anyone else.

Over 600 tonnes of precursor chemicals for the lethal VX nerve gas are unaccounted for in Iraq. That is enough to make 200 tonnes of VX, which is enough to kill every person on this planet. Our commitment to eliminating these weapons informed our support for the deployment of Australian forces. We are only too happy to see that this commitment can take a peaceful form with the signing of an agreement between the United Nations and Iraq. It is important that all the protagonists use the forum of the United Nations to achieve resolution. That is why this motion properly affirms the ongoing work of UNSCOM and the International Atomic Energy Agency. It is work that we support and it is work that we want to see continue unhindered.

Australian troops were committed to the Gulf in the context of this clearly defined mission. I want to reaffirm to the Senate and the Australian community that Labor offers its

support on the basis of this mission as it is defined. In offering this support we do not offer cart blanche for any future military action in the Gulf. We particularly welcome the likelihood that force will not be required. Let me say again that we look forward to the speedy and safe return of our forces to Australia.

Senator LEES (South Australia—Leader of the Australian Democrats) (4.10 p.m.)—I want to begin by commending the successful work of the UN Secretary-General, Kofi Annan, in achieving a diplomatic compromise and so defusing—hopefully, permanently, but certainly for now—the situation in Iraq. We are pleased that the Australian parliament at last is being given the opportunity to debate this issue and to consider the issue of the deployment of Australian troops.

We have always believed as we go back through history and look at what we said back in 1991, that it is only the parliament—that is, both chambers of federal parliament—which should have the power to send troops away. We are not debating what might happen if we are faced with an invasion; we are talking about sending troops away. So we welcome this opportunity to take part in the debate, but we are not happy at all with the motion as it stands.

Obviously parts of the motion have to be supported—for example, condemning Iraq's non-compliance—but we believe some at least minimal amendments have to be made, in particular to paragraph 2 where we must add that we do this only on the condition that such a resolution is sanctioned by the United Nations. In other words, we do not agree that it is the United States which should have the power to decide whether Australia and the several other countries it now has with it head off and bomb someone else. Those amendments have been circulated.

We strongly oppose the unilateral decision of the United States to take it upon themselves to use their military force against Saddam Hussein. Indeed, we are even more opposed to this government's decision to tag along, to jump on the bandwagon. I want to make it very clear here that we hope our troops come back quickly and safely. We

support them in the actions that this government has asked them to undertake, but we do not support the deployment in the first place.

Our first objection is that we are now involved in this issue in this way—with our troops over there—thanks to the United States's decision. We should have considered this issue only if the United Nations had passed a resolution and then asked us to do so. In announcing their intention to bomb Iraq and force Saddam Hussein into submission, Washington had neither a clear objective nor a UN mandate to undertake a military strike. Their only stated position was to rid Iraq of the biological and chemical weapons of mass destruction. How this could be achieved through a military strike was never explained. The action would not be 'striking a blow for a more stable and secure world'—indeed, just the opposite.

There are many Australians who support our point of view and, indeed, I suspect many members in this place if they were allowed to say so. But apart from the huge amount of domestic support we are getting through the office, particularly in letters, we must remember that the United States does not have global support for what it is doing. Yes, a few English-speaking countries have jumped on the bandwagon, but no-one else. This sends a very loud message that this action was not wanted. Iraq's closest neighbours—Iran, Kuwait, Saudi Arabia, Russia and Turkey; those most likely to suffer if a war begins—do not want this action. They do not want war.

The Democrats do not condone the activities of Saddam Hussein—far from it—nor do we condone his continuing deliberate frustration of the work of the United Nations Security Council. This does not mean, however, that the Iraqi people should suffer further, should suffer a war, because they have a recalcitrant leader.

The only long-term solution is a diplomatic one. I use this opportunity to call on the Australian government to immediately withdraw our troops and give the new arrangement some breathing space—give what Kofi Annan has achieved and been able to put in place a chance to work.

The government uses the argument—as the opposition did when former Prime Minister Hawke sent troops to the Gulf—that they have to take into consideration the consequences of doing nothing. But I ask: is offering some real carrots, is sitting down and talking at the highest possible level about sanctions and is using a range of diplomatic efforts doing nothing? I suggest that the United States and Australia should have put far more effort into a diplomatic solution before even considering putting this issue before the United Nations and looking at using force.

Apparently, Mr Howard has stated today that the United States had been patient with Saddam Hussein in waiting for him to act in accordance with the UN resolution, which resulted in the food for oil agreement in 1991. Surely it is not for the United States to decide but the United Nations to say, 'We have had enough. We can't wait around any longer. We think it is time to move in and basically try to bomb this country into submission.'

Mr Howard believes that the United States has been patient. If they have shown a little patience how about they show a lot more. The Democrats call on our government to encourage the United States, if they are so confident that the US has been patient, to show a little more patience and to wait for the United Nations Security Council, which at this point is still deliberating on the agreement, to state its position and, indeed, to say very clearly to the United States that now is not the time to move in. The work of the UN Special Commission, UNSCOM, should not be understated. It has been able to achieve much more than Operation Desert Storm was ever able to achieve. The rhetoric of this debate appears to conveniently pass over the work of UNSCOM.

It is true that diplomatic solutions take time. But it is this timeliness which means that the chance of long-term success is much higher. The 100 strong UNSCOM team has seized thousands of documents, videos, microfiche and left behind a network of security monitoring cameras. The 100 inspectors led by special commissioner Richard Butler come from 21 nations. They operate from the

ground in Iraq and also from the UN offices in New York.

This past weekend the *Sydney Morning Herald* provided an overview of the success of the UNSCOM team. I think it is appropriate that we outline their successes today. UNSCOM has been successful in destroying Iraq's nuclear program. It has found all but two of the suspected 819 missiles. It has destroyed an assembled super gun and parts of four others, a tonne of propellants, 150 Scud missiles and more than 15 Scud launchers, 30 chemical warheads, vehicles, launch pads and a number of other pieces of equipment. UNSCOM does, however, believe that it still has a way to go in finding the chemical weapons. This is despite the fact that UNSCOM has destroyed 28,000 filled and 12,000 empty chemical munitions. They have also found and destroyed a range of other precursor chemical weapon agents and other production equipment.

I am sure everyone in this chamber would agree on something—that is, that these weapons are disgusting. All weapons of mass destruction are disgusting and have no place in our world and yes we should remove them. But remember, not all these weapons are located in Iraq. The ingredients which compromise these weapons are part of a global weapons trade. The United States and Britain sell the parts which make these weapons. The hypocrisy of focusing only on Saddam Hussein and not on other rogue states and individuals cannot be forgotten.

So why the sudden urgency for the United States, backed by the British government, to enter into military conflict with Saddam Hussein? We probably all have our own views on that. But it is significant that war does have a positive effect on the popularity of an incumbent leader. During the Gulf War Bob Hawke's popularity rose as did John Major's. Maggie Thatcher won the unwinnable election by invading the Falkland Islands.

We believe that decisions of this magnitude should be based on morality and justice and should be backed by the United Nations. The Australian Democrats welcome the UN Secretary-General's agreement with Iraq

requiring Iraq to accord with UNSCOM and the International Atomic Energy Agency allowing for immediate and unconditional access to sites believed to hold weapons of mass destruction. However, we agree with the Secretary-General's statement of the importance of military intervention when taken in context—that is, if the United Nations passes a resolution calling for a multilateral and united force to assist in achieving diplomatic efforts then and only then should Australia even consider providing such support.

We affirm our support for a variety of diplomatic measures. We are concerned about the impact that sanctions have had and are having on the ordinary Iraqi people, particularly women and children. The estimates of the number of children who have died as a direct result of either the war or the sanctions varies depending on which agency you speak to, but a conservative estimate is around 750,000. There is general agreement that the state of health of Iraq's children today is close to appalling.

Let us think about all of that. Let us look at some carrots as well as the sticks. Let us consider moving our troops away and getting them out of the danger zone and giving the agreement some breathing space and some time to work. Let us make sure that we get the message to our troops that it is not with them that some of us have the argument. Obviously, they and their families are under considerable stress at the moment. While we despise weapons of mass destruction and would want them destroyed, no matter where they are—and we welcome the opportunity to debate this today—we ask this government to look again at the process and to take seriously what has been achieved so far diplomatically and to give it a real chance to work.

Senator MARGETTS (Western Australia) (4.23 p.m.)—The motion before us has several elements to it. It indicates that the Senate condemns Iraq's past non-compliance with United Nations Security Council resolutions, including Resolution 687, requiring inspections and destruction of Iraq's weapons of mass destruction, and calls on Iraq to abide fully by them. This is really quite interesting because here you have the United States,

which is the largest single debtor to the United Nations—because of their lack of interest, I believe, in many of the decisions that are made by the United Nations—using the United Nations to justify their actions, basically saying that whatever the situation was in 1990 and 1991, all bets are off and the fight is still on.

This is particularly interesting in relation to weapons of mass destruction, considering that to my knowledge—and I am still getting this checked—the United States has not signed the chemical weapons convention. There has been a lot of opposition in the United States Congress to signing any of these treaties on weapons of mass destruction. If that was the case, it would be one of the world's largest hypocrisies that the United States in fact was using Resolution 687, in relation to such things as chemical weapons, in relation to a convention they have refused to sign.

The International Atomic Energy Agency is mentioned in the motion but, of course, the International Atomic Energy Agency, as I have mentioned on many occasions, has its own inbuilt conflicts of interest. It is, on the one hand, supposedly a body which is to restrict the spread of nuclear materials, but in fact it is also at the same time the promoter of nuclear materials. Australia has a part in this in selling uranium to countries which are capable of producing nuclear weapons. So the hypocrisy in paragraph 1 of the motion is astounding.

But let us just say that this whole argument rests on the fact that what we are doing is supporting some action by the United States which is somehow legal. I would in fact argue that the proposed or potential military action against Iraq is unlawful. The government motion continues the perception that it is lawful and defends the honour and the authority of the United Nations. This is not actually true. The proposed United States led military action against Iraq is contrary to international law and contrary to the spirit and letter of the charter of the United Nations. Remember, this is the United Nations to which the United States owes so many billions of dollars.

The fundamental purpose of the 1944 United Nations charter is 'to save succeeding generations from the scourge of war', by maintaining 'international peace and security.' To this end, the over-arching principle of the charter is that disputes shall be resolved by peaceful means. Article 2.4 provides that all members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in matter inconsistent with the purposes of the United Nations.

The International Court of Justice has named this general prohibition on the use of force as a norm of customary international law. It reflects a century of commitment by the international community to prohibit recourse to violence and war as instruments of foreign policy. Only two exceptions exist to this general prohibition on the use of force. Force can be used when specifically authorised by nine members of the United Nations Security Council, and that includes the five permanent members. Such collection is in line with the United Nations philosophy of collectively responding to global security matters. This has not happened. Secondly, states retain the inherent right to self-defence. However, such defence must be necessary and proportionate to the specific threat posed by another state.

It is unclear whether there is a right at law to anticipatory self-defence, but if there is that right, it is extremely narrow and must be necessary and proportionate. For example, when the right to anticipatory self-defence was claimed by Israel when it bombed an Iraqi nuclear reactor in 1981, the Security Council unanimously condemned the Israeli attack as a clear violation of Article 2.4. Therefore, the two bases upon which any military action would be legal do not apply. Consequently, unless the use of force is connected to Security Council action of self-defence, it breaches treaty obligations under the charter and customary international law. States which assist in their threat or use of force would also breach these obligations.

What does it say for Australia if we are in there, engaged or threatening to engage in an

unlawful military action? What does it say for Australia's ability to act as a so-called honest broker in cases of present or future actions of threatened world peace, because Australia will be known and will be proven to be associated with an unlawful action? The current possible military action against Iraq is neither sanctioned by the Security Council nor, by any stretch of the imagination, can it be seen as an exercise of self-defence by the US military superpower or Australia against a tiny third world country such as Iraq.

However, the Australian government appears to be attempting to justify military attack under both of those headings. The Security Council argument is that Australia was following the United States, arguing that regardless of a specific Security Council resolution, Security Council authority to use the force exists on two grounds: firstly, by persistently obstructing weapons inspection and flouting relevant resolutions Iraq has fundamentally breached cease-fire Resolution 687, the cease-fire is consequently no longer operative and the 1990 Resolution 678 authorising the use of force against Iraq in light of its invasion of Kuwait is re-triggered; alternatively, the totality of chapter 7 resolutions passed concerning weapons inspection in itself creates sufficient authority for the use of force. There is no precedent for this constructive authorisation approach. It is contrary to both the letter and spirit of the charter.

Article 42 clearly circumscribes that the use of force may only be authorised by the vote of nine Security Council members in relation to a specific breach of international peace and security. Resolution 678 specifically authorises force only in relation to the Security Council demand that Iraq withdraw from Kuwait. No subsequent resolution, including 687, authorises force in relation to weapons inspection, despite the fact that a whole range of Security Council resolutions have been passed on the matter of weapons inspection.

Therefore, although the Security Council always has the option of authorising the use of force in these resolutions, it has only ever authorised non-violent action against Iraq. It is nonsense to suggest that somehow authorisation for the use of force can be extracted

from such a deliberate silence on the part of the only body able to sanctify such violence. Secondly, if the constructive authorisation argument is accepted, any breach of the cease-fire agreement would allow any state to take military action against Iraq at any time. This interpretation directly contradicts the fundamental charter principle that states are prohibited from using unilateral force, except in accordance with the right of self-defence.

I do not think this is defending the United Nations' honour. The government has stressed the moral position, that is, a military action aims to secure enforcement of Security Council resolutions—defence of the United Nations authority is a clear element. Again, such ostensibly pious devotion to the honour of the United Nations is the height of hypocrisy, given that any proposed military action is deliberately flouting the explicit process by which the Security Council is empowered to authorise force.

Consequently, proposed military action against Iraq would have precisely the opposite effect. It would be a severe blow to the authority of the United Nations, and could mark the beginning of its steep decline. Also, I think the Prime Minister's motion, noting as it does the view of the Secretary-General of the United Nations of the importance of the prospect of military force in the Gulf in supporting diplomatic efforts to achieve a peace agreement, is a misconstruction. Again, the Prime Minister is deliberately distorting the tenor of Mr Annan's comments. Mr Annan does state that you can do a lot with diplomacy backed by force. He also states that what is critical to the peace agreement is taking the time to resolve things peacefully in accordance with the United Nations charter—for peoples from all over the world to come together and focus on something and get it resolved.

To this end, Mr Annan stresses that the United Nations also have to handle Iraq and Iraqis with a certain respect and dignity and not push our weight around to cause tensions. We would not expect India to accept Pakistani inspectors on their team. It would be an undiplomatic process. We would not expect, generally, anybody of Arab extraction to be

on inspection teams for Israel. That is a good example. Why are we not declaring war on Israel? Why are we not suggesting that we should have warships lodged against Japan in relation to their build-up of plutonium? Why do we have a different rule for Iraq? The point is: what we are expressing is mass hypocrisy.

I really do not think that we have the right in this case. Both of these points of view—resolution through discussion and peaceful means, and respect for the sovereignty and dignity of the people of Iraq—are the opposite of a rush by the world's superpower and its allies to use military violence. We have heard terms like 'the leader of the free world'; we have had terms in relation to Australia and the United Nations which would make most people feel ill. This should not be the way Australia responds. We should be abiding by international law, and what we have proposed certainly is not so.

I will not be supporting this motion. I signal my intent to call a division on this motion because it is the height of hypocrisy. It would be leading Australia and those parliamentarians elected by the people of Australia to be engaged and support the breaking of international law.

Motion (by **Senator Lees**)—by leave—proposed:

At the end of paragraph (b), add ", only on the condition that such a resolution is sanctioned by the United Nations".

Paragraph (d), after "community", insert ", through the United Nations".

Paragraph (d), omit "and in this context affirms that continuing deployment of forces in the Gulf is appropriate while Iraq's commitments are tested", substitute "and would only consider supporting the deployment of Australian Defence Force personnel with the sanction of both Houses of the Australian Parliament".

Senator MacGIBBON (Queensland) (4.34 p.m.)—I support the motion before the chair. It is critically important, as Senator Faulkner has said, that the Australian parliament does support the Australian troops deployed there on a very important matter of international peace. We welcome very much the efforts that have been made by Kofi Annan that have averted the actual outbreak of any military

action. What we are faced with here is an enormously serious matter which deserves far more concentration and intellectual input than has been given to it by the last two speakers.

The proposed course of action by Australia in supporting the United Nations and their activities against Saddam Hussein rests on two basic principles. The first is that where the UN operates in a lawful manner then as a signatory power we should support them. They have seen their lawful processes frustrated and held in contempt and non-compliance by Iraq for seven years now. The second pillar on which our support rests is the fact that there is irrefutable proof that Iraq is involved, and has been for probably 15 or 20 years, in a massive program for the production of weapons of mass destruction of a nuclear, chemical and biological nature.

Iraq is a very old country. It goes back probably 3,500 years to the Sumerian Empire, but modern Iraq occurred after the break up of the Ottoman Empire. In the post World War II era, in 1956 King Faisal was murdered by General Karim Qasim in a military coup, and in 1969 the Baath Party, which was then a secular party, had another coup. The deputy leader of the Baath Party was a man called Saddam Hussein. Ten years later in 1979 he persuaded the president of the country to step aside and he became president.

When he assumed the presidency he held a show trial where his five closest friends, the five leaders of then Iraq, were found guilty of treason and the great Saddam Hussein, the friend of Senator Lees, the Democrats, and Senator Margetts, participated in a public execution of these five people, a so-called democratic execution. From there he has never of course had any challenges to his leadership as the President of Iraq. Anyone who puts their hand up gets shot. What we have is a dangerous and murderous leader who only understands force.

Let us have a look at some of his activities because they have been going on for about 15 or 20 years in the production of weapons of mass destruction. It seems to be the view in popular circles that somehow or other it is anthrax, which most people associate with some infection of cattle, or some botulin

toxins that they are producing, but it is far wider than that. He has been very heavily involved in the production of nuclear weapons. It is not like minor states going around and stealing weapons-grade enriched plutonium, or something like that, to build one or two bombs; he has gone right back to the starting point with yellowcake. He has his centrifuge uranium enrichment plants which were built at vast expense. He has covered the whole spectrum of nuclear weapons production. Fortunately he has not got there, but he has been prepared to put hundreds of millions of dollars into this.

We have heard from Senator Hill and Senator Faulkner of the activities in the chemical and biological areas. The chemical area has moved into a whole range of poisonous gases—not only mustard gas and some of the gases that were used in the First World War; he has moved into all the nerve gases, which literally are horrific. They are deadly in pinhead doses. We have had evidence that 38,000 weapons were loaded with chemical agents for use against his neighbours or his enemies.

We have seen a huge biological program. The inspectors from the United Nations have done a great job in detecting and destroying a vast amount of it, but the point which seems to escape Senator Margetts is that those inspectors have audited the process. They cannot account for the end products of thousands of tonnes of precursors—they do not know where these have gone. They do not know whether the precursors still exist to be used at a future date by Saddam Hussein's scientists or whether they have been taken to conclusion and put in storage somewhere.

All the way along the line Iraq has avoided and refused to comply with the United Nations resolutions. We know that Hussein has produced these weapons of mass destruction. They are not, as Senator Lees said, disgusting weapons; they are some of the most lethal weapons on earth. They are, in the literal sense of the word, weapons of mass destruction. They are not things to play with or to be mildly concerned about. We are concerned about these weapons of mass destruction because, with the exception of

nuclear weapons of mass destruction, they are very cheap to prepare. Because they are cheap to prepare, the proliferation of them around the world becomes of primary concern to anyone who is concerned with the maintenance of international peace and security. That is why we are so concerned about what is going on in Iraq today.

I have been amazed at the protest movement from a few people in Australia. There is no question that the overwhelming majority of Australian citizens take a responsible view on this and support the government's action. We have heard today that the Democrats are still apologists for Saddam Hussein. They talk about Australia climbing on the bandwagon of a few English-speaking countries to attack an Arab nation and of giving him another chance. Good Lord! This man launched a huge war that cost millions in casualties for eight years against Iran, his neighbour. As a ruler he has a history of murderous non-compliance with any rules or conventions. Seven years after the Gulf War when he invaded Kuwait, we still see no compliance at all. To say, as Senator Lees said, that Mr Clinton and Mr Howard were maybe doing this to get a few votes is just too demeaning. We are not interested in appeasement. We know from history that appeasement of dictators just simply does not work.

Let me deal with this claim of the Democrats that somehow or other things would be great if we withdrew sanctions and the Iraqi children would grow and flourish. If the Iraqis complied with the UN sanctions and they did not go ahead with their production facilities for weapons of mass destruction, they would have hundreds of millions of dollars to feed, clothe, nurture and educate their own citizens. This is a priority they have taken upon themselves. They have chosen to spend billions of dollars producing these weapons of mass destruction. They have chosen not to comply with the United Nations. If their hearts were in the right place, if they were sincere and honest, they would get rid of these weapons of mass destruction, but instead they have followed this path.

I support the motion before the Senate. We hope that the diplomatic activities of the

United Nations bear fruit and that this matter can be resolved without resorting to military force. But if that fails then we must proceed with the appropriate steps, because history is full of those cases where a failure to intervene at the right time resulted in far greater human and financial casualties later on. Clearly, the case against Iraq is such as to justify military intervention if they do not comply with the United Nations requests that have been made repeatedly to them now for a period of seven years.

Senator COOK (Western Australia) (4.43 p.m.)—On behalf of the opposition I support this motion. I believe there are five fundamental points necessary to remember when considering the motion that is before this chamber. The first point that I would draw to the chamber's attention is that Saddam Hussein does not come to this debate with clean hands. He is not a person in whom the international community can repose trust or faith or, indeed, dignify by respecting honour in this circumstance. It was he that led a fight against Kuwait in 1991, seven years ago. It was he who used weapons of mass destruction against his own people, an action which is well documented, and he has committed atrocities against the Kurdish minority within his own national boundaries. This is not a record of someone whose faith can be taken at face value. This is the record of someone who has to be regarded with the utmost care and wariness by responsible nations in the world. That is the first point.

The second point to consider when considering this motion is what the United Nations actually committed Iraq to do after the Gulf War in 1991. That is specified in resolutions of the United Nations—resolution 687 and resolution 715. If one considers those resolutions, it is clear that the steps were logical and, from the point of view of the international community, reasonable.

What were they? They required Iraq to affirm and reaffirm a number of international protocols and conventions. There is the protocol on the prohibition of the use in war of asphyxiating, poisonous and other gases and of bacteriological methods of warfare—an international protocol that has seen interna-

tional support since 1925. They required Iraq to affirm and abide by the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and their Destruction—a convention that has had international force since 1972. They required Iraq to reaffirm its commitment to the Treaty on Non-Proliferation of Nuclear Weapons—a treaty that has had international standing since 1968. Therefore, they required Iraq to commit to those things.

In addition to that, the United Nations required Iraq to destroy its chemical, biological and nuclear weapons and missiles capable of delivering those weapons as warheads, to declare the location of those weapons, the amounts and types of those weapons, and to agree to on-site inspection of those weapons. The United Nations required the inspection teams to have access to the sites where those weapons may be housed, or to have access to the sites where those weapons were suspected may be housed. It required the Iraqis to hand over weapons so that they could be safely destroyed. It required that Iraq commit itself not to develop such weapons again. Interestingly, it required Iraq to pay its international debts which it had declared null and void, and to contribute to a fund for reparations of war damage created in Kuwait.

That is what the United Nations required Iraq to do. Not all—indeed not many—of the key points of that requirement have been delivered on. It is now seven years later. That resolution was in 1991 and it is now 1998: enough time has transpired in order that compliance be reached.

The third point that has to be kept in mind when considering this motion is that the full inspections required by the United Nations resolution have not taken place. They have been thwarted. They have been railroaded. All sorts of pretexts have been thrown up to actually prevent the conclusion of the will of the United Nations.

The fourth point that has to be considered is one made by many honourable senators in this debate. There is enough VX nerve gas known to exist in Iraq now sufficient to kill every person on the planet. There are over

600 tonnes of precursor chemicals to make over 200 tonnes of VX nerve gas, which would have that effect. This is a dangerous, potent mix of irresponsibility.

The fifth point that has to be considered is that Kofi Annan, the distinguished Secretary-General of the United Nations, who has performed one of the most outstanding feats of diplomatic negotiation seen in recent times, in answering questions to the press with the Prime Minister of Iraq at the signing of the agreement in Baghdad insisted that the achievement of that diplomatic outcome would not have been possible without there being a clear display of force and a determination by nations in the world to ensure that the outcome was in fact reached. They are the five salient points that I would contend lie at the back of this motion, and they are the five salient points that any reasonable person needs to keep in mind when considering what the circumstances are.

I congratulate the Secretary-General of the United Nations for his diplomatic achievement. It is true, I believe, that it could not have been achieved without the threat of force. That is regrettable, but it is not a regret that we should have. It is a regret that Saddam Hussein, who forced this sort of confrontation and escalation, should have.

In these remarks today I also want to recognise the role of the weapons inspector, head of the UNSCOM team, Richard Butler, who is a former distinguished Australian diplomat and, of course, now a public servant employed by the United Nations. Without his insistence that the letter of the international agreement decided by the United Nations was required to be enforced, we would not have been able to smoke out, I do not believe, the extent to which there had been non-compliance with the resolutions of the United Nations.

We now have an agreement with Iraq that there will be unconditional and unrestricted access by a recomposed group of United Nations inspectors to the so-called designated presidential palaces, or presidential facilities, of the President of Iraq. This is nothing more than what the United Nations required at the

end of the Gulf War. We now have that stated again.

Because the UN requirement was not complied with at the end of the Gulf War, one would have to be concerned, until such time as the inspections have gone ahead and been completed, as to the willingness, the sincerity or the trustworthiness of the Iraqi side in order to ensure that it is complied with now. It is in those circumstances that the provision—regrettable though it is, but necessary as it is—appears in this motion acknowledging the continued deployment of forces in the Gulf as appropriate while Iraq's commitments are being tested. It is important that that be said. It is important that this chamber endorse it.

I also have to acknowledge that Australian troops are in this theatre. I commend and support the remarks of the Leader of the Opposition in the Senate (Senator Faulkner) when he spoke about the importance to Australia and to us of the wellbeing and safety of our armed forces in such a dangerous theatre.

It is not an easy matter for a nation to commit its forces. Indeed, the Leader of the Opposition (Mr Beazley), speaking as a former Minister for Defence, earlier today said it was the hardest decision he had ever made. I do think the expressions that have been given here—in regard to their safety and their preparedness to serve—and the consideration this chamber extends to their families are proper and appropriate things to say, and I endorse them wholeheartedly.

Let me conclude by saying that no-one takes comfort in the fact that this matter has reached this particular pass. It is not a nice pass; it is not a pretty pass. No-one takes comfort in the fact that certainly the ordinary people in Iraq are suffering. They are suffering not because of what the international community is doing; they are suffering because of what the Saddam Hussein regime is doing in Iraq. That needs to be kept clearly and forcefully in one's mind when one deals with this situation, but it would be wrong not to express our sympathy and understanding for their plight in these difficult circumstances as well. I commend the motion to the Senate.

Senator HARRADINE (Tasmania) (4.53 p.m.)—I have had this motion in front of me for only the last two hours or thereabouts, and I have listened to what has been said in this chamber. In the time available to me, I have studied the motion carefully. It is couched in quite careful terms, I believe, and it is a motion under those circumstances, as I interpret it, that I can live with.

There needs to be an understanding and recognition that other action that, in terms of this resolution, may be deemed appropriate and necessary, would need to have general endorsement throughout the community. I have also had a look at the current sanctions and who they affect. It appears to me, on the information that I have obtained over a period of time, that it is in fact the poorest of the poor in Iraq who are suffering most from the sanctions, not Saddam Hussein.

One needs to have a look at the effectiveness of those sanctions. I acknowledge, as has been said time and again in this debate both here and in the House of Representatives, that there is a serious threat posed to the world by Saddam Hussein. I do not want to go into the threats that might be posed by others in a similar vein but not as weighty a vein, but I think there needs to be a very thorough examination of that. Of course, a bomb is indiscriminate between particular sites and individual persons. Again, that is something that needs to be addressed.

I have had a look at the amendment that has been proposed by Senator Lees. I do not propose to vote for it—and, again, I have only had it before me in the last 10 or so minutes—but I think it does need to be looked at. The third paragraph states:

- (3) Paragraph 4, omit "and in this context affirms that continuing deployment of forces in the Gulf is appropriate while Iraq's commitments are tested", substitute "and would only consider supporting the deployment of Australian Defence Force personnel with the sanction of both Houses of the Australian Parliament".

The area of defence is a difficult question. I am not privy to the information that is held by government, and I am not privy to the security briefings that are given to the government and the Leader of the Opposition. I think it is a matter in that context for the

government and for the Leader of the Opposition to be properly briefed. I must say that very, very serious questions and issues would arise if one were to vote for paragraph (3) of the amendment. Again, Senator Lees appears to have a bit more confidence in the United Nations than I do in respect of paragraph (1) and paragraph (2). Having said that, I repeat that I have observed the careful manner in which this has been drawn, including paragraph (2) which states:

... welcomes the UN Secretary-General's agreement with committing Iraq to accord UNSCOM and the IAEA immediate, unconditional and unrestricted access, and notes the Secretary-General's view of the importance of the prospect of military force in supporting diplomatic efforts to achieve such an agreement.

I only agreed to come in at the last and to speak for three minutes. I have spoken for six or seven, so under those circumstances and with those qualifications I support the motion.

Senator ELLISON (Western Australia—Minister for Schools, Vocational Education and Training) (5.01 p.m.)—For the record, the government does not support the amendments moved by the Democrats. I think Senator Harradine touched on the reasons for that. There has been a precedent, in this country, of governments being able to take executive action in relation to matters concerning security. There was an instance where the coalition, then in opposition, supported the prior government, and we now enjoy that support from the opposition. Of course, no decision would be taken lightly with regard to any action in defence of this country; and there is a strong precedent for a Prime Minister consulting closely with the Leader of the Opposition of the day. Of course, that would be the case here.

The other amendments, as mentioned by the Democrats, really take the matter no further; in fact, I think they make it more unwieldy. As Senator Harradine has said, the language has been chosen very carefully. I will not go into the history of the matter. I think Senator MacGibbon gave an excellent summary of the history of the problem in Iraq, and I thank the opposition senators for their contribution to this debate as well.

Question put:

That the amendments (**Senator Lees's**) be agreed to.

The Senate divided. [5.06 p.m.]
(The President—Senator the Hon. Margaret Reid)

Ayes	7
Noes	57
Majority	50

AYES

Allison, L.	Bartlett, A. J. J.
Bourne, V. *	Lees, M. H.
Murray, A.	Stott Despoja, N.
Woodley, J.	

NOES

Bishop, M.	Boswell, R. L. D.
Brown, B.	Brownhill, D. G. C.
Calvert, P. H.	Carr, K.
Chapman, H. G. P.	Collins, J. M. A.
Colston, M. A.	Conroy, S.
Cook, P. F. S.	Coonan, H.
Cooney, B.	Crane, W.
Crowley, R. A.	Denman, K. J.
Eggleston, A.	Ellison, C.
Evans, C. V. *	Faulkner, J. P.
Ferguson, A. B.	Ferris, J.
Forshaw, M. G.	Gibbs, B.
Gibson, B. F.	Harradine, B.
Heffernan, W.	Hogg, J.
Knowles, S. C.	Lightfoot, P. R.
Lundy, K.	Macdonald, I.
Macdonald, S.	MacGibbon, D. J.
Mackay, S.	Margetts, D.
McGauran, J. J. J.	McKiernan, J. P.
Minchin, N. H.	Murphy, S. M.
Neal, B. J.	O'Brien, K. W. K.
O'Chee, W. G.	Parer, W. R.
Patterson, K. C. L.	Payne, M. A.
Quirke, J. A.	Ray, R. F.
Reid, M. E.	Schacht, C. C.
Sherry, N.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Troeth, J.	Vanstone, A. E.
West, S. M.	

* denotes teller

Question so resolved in the negative.

Original question put:

That the motion (**Senator Hill's**) be agreed to.

The Senate divided. [5.11 p.m.]
(The President—Senator the Hon. Margaret Reid)

Ayes	56
Noes	9
Majority	47

AYES

Bishop, M.	Boswell, R. L. D.
Brownhill, D. G. C.	Calvert, P. H. *
Carr, K.	Chapman, H. G. P.
Collins, J. M. A.	Colston, M. A.
Conroy, S.	Cook, P. F. S.
Coonan, H.	Cooney, B.
Crane, W.	Crowley, R. A.
Denman, K. J.	Eggleston, A.
Ellison, C.	Evans, C. V.
Faulkner, J. P.	Ferguson, A. B.
Ferris, J.	Forshaw, M. G.
Gibbs, B.	Gibson, B. F.
Harradine, B.	Heffernan, W.
Hogg, J.	Kemp, R.
Knowles, S. C.	Lightfoot, P. R.
Lundy, K.	Macdonald, I.
Macdonald, S.	MacGibbon, D. J.
Mackay, S.	McGauran, J. J. J.
McKiernan, J. P.	Minchin, N. H.
Murphy, S. M.	Neal, B. J.
O'Brien, K. W. K.	O'Chee, W. G.
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Quirke, J. A.
Ray, R. F.	Reid, M. E.
Schacht, C. C.	Sherry, N.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	West, S. M.

NOES

Allison, L.	Bartlett, A. J. J.
Bourne, V. *	Brown, B.
Lees, M. H.	Margetts, D.
Murray, A.	Stott Despoja, N.
Woodley, J.	

* denotes teller

Question so resolved in the affirmative.

CONSTITUTIONAL CONVENTION

Senator ELLISON (Western Australia—Minister for Schools, Vocational Education and Training) (5.16 p.m.)—I table a statement by the Prime Minister on the Constitutional Convention, and the convention Communique. I seek leave to incorporate the documents in *Hansard* and to move a motion.

Leave granted.

The documents read as follows—

STATEMENT BY THE PRIME MINISTER THE HON JOHN HOWARD MP

CONSTITUTIONAL CONVENTION

2 MARCH 1998

Mr Speaker

I am pleased to be able to report to members briefly on the proceedings of the Constitutional

Convention which was held in Old Parliament House from 2-13 February 1998.

As members will be aware, the Convention was held to consider three questions:

whether or not Australia should become a republic;

which republic model should be put to the voters to consider against the current system of government; and

in what timeframe and under what circumstances might any change be considered.

The Rt Hon Ian Sinclair MP and the Hon Barry Jones AO MP presided as Chairman and Deputy Chairman respectively. They performed these roles with flair and distinction, and I congratulate and thank them both.

The holding of the Convention fulfilled the election commitment I gave to the Australian people prior to the last election.

Before the last election it was clear that just as many in the community felt our present system works well, there was widespread support for the idea of Australia becoming a republic. That is why I made the promise to the Australian voters that a Convention would be held in our first term of government. I am proud to say that the Convention was conducted in a constructive manner and I feel privileged to have been the Prime Minister who brought it about.

My Government had confidence in the capacity of Australians to debate this issue. The convention was comprised of a diverse group of Australians. Half of the Convention's 152 delegates were appointed by the Government. The appointments represent a broad cross section of Australian society, and a wide diversity of skills and experience. They also reflected the Government's commitment to ensure that women, Aboriginal and Torres Strait Islander people, young Australians and local government were represented.

The other seventy six delegates were elected by the Australian people. These delegates were chosen from the 609 candidates who stood for election last year. I am sure members will agree that the elected delegates also carried themselves in a manner that did the Australian public which elected them proud. That such a diverse group of people could work together constructively to bring us to a useful outcome speaks volumes for the strength of Australia's democracy.

The Constitutional Convention engaged the public as well as the delegates. Some 6.75 million copies of the public information materials prepared by the Government to increase the community's understanding of the issues were published in 68 metropolitan and regional newspapers. Over 1000 submissions from members of the public to deleg-

ates have been received and there were around 125 000 hits recorded on the Internet home page. During the Convention itself something like 17 500 visitors moved through the public galleries in order to see this historic event. And I know that much of the rest of the Australian public, as well as many interested observers overseas, were watching and listening to the extensive television and radio coverage of the Convention proceedings.

In my opening address to the Convention I stated that "whatever may be our views on the threshold issue of whether or not Australia should become a republic and whatever form we might believe any such republic should take, we owe it to ourselves and to the rest of the Australian people to conduct the Convention in an open, positive and constructive fashion".

The Constitutional Convention achieved its objective. The majority of the Convention supported, in principle, Australian becoming a republic. Of the republican models, the "Bipartisan Appointment of the President Model" clearly had the greatest support. The convention voted overwhelmingly in favour of a resolution that a referendum be held to test that model against the existing system. The Convention also recommended that if the referendum to be held in 1999 results in support for a republic, that the new republic come into effect by 1 January 2001.

I believe that the Convention has spoken very clearly. It is the intention of my government, if it is returned at the next election, to hold the referendum before the end of 1999. I have asked the Attorney-General to bring forward a proposal for consideration by Government on the processes leading to the referendum.

The final decision about whether Australia becomes a republic will be put firmly in the hands of the Australian people, as it should be.

I table the communique of the Constitutional Convention and advise members that a full report on the proceedings of the convention will be published soon.

CONSTITUTIONAL CONVENTION 1998
CANBERRA
2-13 FEBRUARY 1998
COMMUNIQUE

The Convention met at Canberra from Monday 2 February 1998 until Friday 6 February 1998 and from Monday 9 February 1998 until Friday 13 February 1998.

The Convention considered three questions:

- . whether or not Australia should become a republic;

- . which republic model should be put to the voters to consider against the current system of government; and
- . in what timeframe and under what circumstances might any change be considered.

The Rt Hon Ian Sinclair MP presided as Chairman, with the Hon Barry Jones AO MP as Deputy Chairman.

The Convention was constituted by 152 delegates. Seventy-six delegates were elected under the *Constitutional Convention (Election) Act 1997*. The other seventy-six were appointed by the Commonwealth Government and included forty representatives of the Commonwealth, State and Territory Parliaments.

Debate on the Convention floor was positive, with wide participation by delegates. While the debate was robust, a strong spirit of civility and compromise was demonstrated.

Three categories of model for a possible Australian republic were before the Convention. They were: direct election, parliamentary election by a special majority and appointment by a special council following Prime Ministerial nomination. While there was significant support for models in each of these categories, following an exhaustive balloting process the Bipartisan Appointment of the President set out below was endorsed by a majority of delegates who voted for or against the motion.

The Convention also agreed to a range of resolutions relating to the Preamble and to miscellaneous transitional and consequential issues relating to a change to a republic.

The following specific matters were resolved by the Convention:

Whether Australia should become a republic

That this Convention supports, in principle, Australia becoming a republic.

That this Convention supports the adoption of a republican system of government on the "Bipartisan Appointment of the President Model" as set out below in preference to there being no change to the Constitution.

That this Convention recommends to the Prime Minister and Parliament that the Bipartisan Appointment of the President Model, and other related changes to the Constitution, supported by this Convention, be put to the people in a constitutional referendum.

Timing and circumstances of any change

That a referendum for change to a republic or for the maintenance of the status quo be held in 1999. If the referendum is in favour of a republic, that the new republic come into effect by 1 January 2001.

That prior to the referendum being put to the people, the Government undertake a public educa-

tion programme directed to the constitutional and other issues relevant to the referendum.

Implications for the States

That the Commonwealth Government and Parliament extend an invitation to State Governments and Parliaments to consider:

The implications for their respective Constitutions of any proposal that Australia become a republic; and

The consequences to the Federation if one or more States should decline to accept republican status.

That any move to a republic at the Commonwealth level should not impinge on State autonomy, and the title, role, powers, appointment and dismissal of State heads of state should continue to be determined by each State.

While it is desirable that the advent of the republican government occur simultaneously in the Commonwealth and all States, not all States may wish, or be able, to move to a republic within the timeframe established by the Commonwealth. That the Government and Parliament should accordingly consider whether specific provision needs to be made to enable States to retain their current constitutional arrangements.

The Bipartisan Appointment of the President Model.

In the event that Australia becomes a republic, the model adopted be the Bipartisan Appointment of the President Model.

Nomination Procedure

The objective of the nomination process is to ensure that the Australian people are consulted as thoroughly as possible. This process of consultation shall involve the whole community, including:

- State and Territory Parliaments;
- local government;
- community organisations, and
- individual members of the public

all of whom should be invited to provide nominations.

Parliament shall establish a Committee which will have responsibility for considering the nominations for the position of President. The Committee shall report to the Prime Minister.

While recognising the need for the Committee to be of a workable size, its composition should have a balance between parliamentary (including representatives of all parties with party status in the Commonwealth Parliament) and community membership and take into account so far as practicable considerations of federalism, gender, age and cultural diversity.

The Committee should be mindful of community diversity in the compilation of a short-list of candidates for consideration by the Prime Minister.

This process for community consultation and evaluation of nominations is likely to evolve with experience and is best dealt with by ordinary legislation or parliamentary resolution; and

The Committee should not disclose any nomination without the consent of the nominee.

Appointment or Election Procedure

Having taken into account the report of the Committee, the Prime Minister shall present a single nomination for the office of President, seconded by the Leader of the Opposition, for approval by a Joint Sitting of both Houses of the Federal Parliament. A two thirds majority will be required to approve the nomination.

Dismissal Procedure

The President may be removed at any time by a notice in writing signed by the Prime Minister. The President is removed immediately the Prime Minister's written notice is issued. The Prime Minister's action must be presented to a meeting of the House of Representatives for the purpose of its ratification within 30 days of the date of removal of the President. In the event the House of Representatives does not ratify the Prime Minister's action, the President would not be restored to office, but would be eligible for re-appointment. The vote of the House would constitute a vote of no confidence in the Prime Minister.

Definition of Powers

The powers of the President shall be the same as those currently exercised by the Governor General.

To that end, the Convention recommends that the Parliament consider:

the non-reserve powers (those exercised in accordance with ministerial advice) being spelled out so far as practicable; and

a statement that the reserve powers and the conventions relating to their exercise continue to exist.

Qualifications for Office

Australian citizen, qualified to be a member of the House of Representatives (see s. 44 Constitution).

Term of Office

Five years.

A Preamble

The Convention also resolved that the Constitution include a Preamble, noting that the existing Preamble before the Covering Clauses of the

Imperial Act which enacted the Australian Constitution (and which is not itself part of our Constitution) would remain intact.

Any provisions of the Constitution Act which have continuing force should be moved into the Constitution itself and those which do not should be repealed.

The Preamble to the Constitution should contain the following elements:

Introductory language in the form "We the people of Australia";

Reference to "Almighty God";

Reference to the origins of the Constitution, and acknowledgment that the Commonwealth has evolved into an independent, democratic and sovereign nation under the Crown;

Recognition of our federal system of representative democracy and responsible government;

Affirmation of the rule of law;

Acknowledgment of the original occupancy and custodianship of Australia by Aboriginal peoples and Torres Strait Islanders;

Recognition of Australia's cultural diversity;

Affirmation of respect for our unique land and the environment;

Reference to the people of Australia having agreed to re-constitute our system of government as a republic;

Concluding language to the effect that "[We the people of Australia] asserting our sovereignty, commit ourselves to this Constitution"; and

A provision allowing ongoing consideration of constitutional change.

The following matters be considered for inclusion in the Preamble:

Affirmation of the equality of all people before the law;

Recognition of gender equality; and

Recognition that Aboriginal people and Torres Strait Islanders have continuing rights by virtue of their status as Australia's indigenous peoples.

Care should be taken to draft the Preamble in such a way that it does not have implications for the interpretation of the Constitution.

Chapter 3 of the Constitution should state that the Preamble not be used to interpret the other provisions of the Constitution.

Other issues

As to other issues, the Convention resolved that, in the event Australia becomes a republic:

the name "Commonwealth of Australia" be retained

Australia remain a member of the Commonwealth of Nations in accordance with the rules of the Commonwealth.

the title of the head of state should be "President".

the head of state should swear or affirm an oath of allegiance and an oath of office,

The oath or allegiance might appropriately be modelled on that provided by the *Australian Citizenship Act 1948* as follows:

[Under God] I pledge my loyalty to Australia and its people, whose democratic beliefs I share, whose rights and liberties I respect and whose laws I will uphold and obey.

The oath [or affirmation] of office might appropriately be modelled on the following words:

I swear, humbly relying on the blessing of Almighty God, [or, I do solemnly and sincerely affirm and declare] that I will give my undivided loyalty to and will well and truly serve the Commonwealth of Australia and all its people according to law in the office of the President of the Commonwealth of Australia, and I will do right to all manner of people after the laws and usages of the Commonwealth of Australia without fear or favour, affection or ill will

or

I swear [or affirm] that I will be loyal to and serve Australia and all its people according to law without fear or favour.

The Commonwealth Government and Commonwealth Parliament give consideration to the transitional and consequential matters which will need to be addressed, by way of constitutional amendment or other legislative or executive action, including:

The date of commencement of the new provisions;

The commencement in office of the head of state upon oath or affirmation;

Provision for an acting head of state in certain circumstances;

Provision for continuation of prerogative powers, privileges and immunities until otherwise provided;

Provision for salary and pension;

Provision for voluntary resignation;

Provision for the continued use, if and where appropriate, of the term Royal, Crown or other related terms, and use of the

royal insignia, by the Defence Forces or any other government body;

Provision for the continued use of the term Royal, Crown or other related term, and use of royal insignia, by non-government organisations;

Provision for notes and coins bearing The Queen's image to be progressively withdrawn from circulation; and

Provision to ensure that any change to the term Crown land, Crown lease or other related term does not affect existing rights and entitlements to land;

Spent or transitory provisions of the Constitution should be removed.

The head of state should be an Australian citizen;

The head of state should be eligible to vote in an election for the Senate or House of Representatives at the time of nomination;

The head of state should not be a member of any political party;

The head of state should be subject to the same disqualifications as set out in section 44 of the Constitution in relation to members of Parliament; and

Any future amendments to section 44 of the Constitution should also apply to the head of state.

Ongoing constitutional review process

The Convention also resolved that, if a republican system of government should be introduced by referendum, at a date being not less than three years or more than five years thereafter the Commonwealth Government should convene a further Constitutional Convention.

Two-thirds of such Convention should be directly elected by the people.

The agenda of such Convention would be to :

Review the operation and effectiveness of any republican system of government introduced by a constitutional referendum;

Address any other matter related to the operation of our system of government under republican arrangements, including: the role of the three tiers of government; the rights and responsibilities of citizenship; whether the Commonwealth should have an environment power; the system of governance and proportional representation; whether the mechanism for constitutional change should be altered; constitutional aspects of indigenous reconciliation; equal representation of women and men in parliament; and

ways to better involve people in the political process.

The Convention be preceded by an extensive and properly resourced community consultation process, to commence within twelve months of the passage of a referendum to establish a republic, in which ideas and responses on the above matters would be actively sought by the Government and Parliament.

Australian Flag and Coat of Arms

In addition to the matters on which resolutions were adopted, the Australian Flag and Coat of Arms were also raised in debate before the Convention. While it was beyond the terms of reference for this Convention to make formal resolutions on the issue, the Chairman undertook to draw the discussion to the attention of the Government.

A number of delegates sought entrenchment of the design of the Australian Flag and Coat of Arms in the Constitution so that they could not be changed without the necessary majority at a referendum. Other delegates did not support incorporation in the Constitution but agreed that the Flag should not be altered without a vote of all electors.

Full details of the proceedings and details of the voting on final resolutions will be presented to the Commonwealth Parliament and published in a report of the Convention.

Signed on behalf of delegates, this thirteenth day of February 1998

Ian Sinclair

Barry Jones

Chairman

Deputy Chairman

Senator ELLISON—I move:

That the Senate take note of the documents.

Senator MARGETTS (Western Australia) (5.17 p.m.)—I would like to speak briefly to the motion. The Prime Minister (Mr Howard) has a lot to answer for in regard to the way in which the Constitutional Convention took place. I also believe that the Constitutional Convention had a very controlled and orchestrated pattern. That control took place through both the members of the Australian Republican Movement and the members of the Australians for Constitutional Monarchy.

That is very unfortunate, because the Australian people appeared to be left out of that equation. Except for some candidates who stood on platforms such as a fair and just republic, the Greens, or maximalists, I did not hear any real discussion about taking this very

important debate to the Australian people on an ongoing basis.

Senator Robert Ray—Who voted for it?

Senator MARGETTS—I certainly did not. The situation was that the majority of Australians did not vote for the members elected to the Constitutional Convention, and the process by which people were selected was criticised far and wide. The majority of Australians thought it was not worth voting for that process, and yet that process is now going to link in the rest of Australia, without further debate as far as I know, without further funded public processes, and without any public information process by the Commonwealth that I am aware of to enable people in the community to find out what it is that has been foisted on them. That is a great pity.

It is a great pity that this sham of democracy occurred in this way under the Constitutional Convention. In my opinion, it is an even greater pity that the outcome of the Constitutional Convention—the result of the backroom deals, the kneecapping and so on—will not be taken as an indicative document to the community, funded for proper consultation—as any basic legislative change, any treaty would be—and thus allowing the community, in a process over time, to have an input, to make submissions, and to talk about the issues that have been dealt with.

These are very complex legal issues which cannot be decided in backrooms overnight. As the blueprint for the Australian democracy, the Australian public deserves to have this document discussed in a proper fashion. It should only ever be considered to be the starting point. It is not an end point; not a point to be put holus-bolus, take it or leave it, to the Australian community. It should only be a discussion document for the people to consider carefully what the options are. We should listen to the legal arguments which we have not heard properly. Such things as arguments about whether or not you can or cannot have an elected president, because that means that we would have to gut the powers of the Senate, should be taken as a debating point only and looked at more carefully.

That is only one example of what happened in the Constitutional Convention. I believe

that Australia deserves much better. It is the obligation of people in this chamber who purport to represent the majority of people in Australia to listen carefully to what is being said in the community about the outcomes and to start doing something about having a proper public consultation process.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (5.21 p.m.)—I also rise to make some comments about the Constitutional Convention. I acknowledge that there were some flaws in the process leading up to the Convention. Certainly, the Democrats put on the record, as did a number of other people in this place, our concern about a voluntary postal ballot for the election process. We would have preferred it if many more delegates had been directly elected. We would have preferred public funding to be available, just as we would have liked to have seen child-care facilities provided at the Concon and a range of other measures.

I would like to follow Senator Margetts by making it very clear that I think this exercise was an entirely justifiable one, economically and politically. I would like to put on record the very positive feelings that I felt at the Constitutional Convention and the inspiring feelings that I came away from that convention with for a number of reasons.

I was fortunate to represent the federal parliamentary wing of the Australian Democrats at the convention. I acknowledge not only those flaws in the process leading up to the convention that I have mentioned but also that the outcome was not necessarily the one that was my preferred or desired model. It is not necessarily a model that all of my colleagues in the party room are committed to or support strongly. But one thing that we do support very strongly is the move to an Australian head of state and we look forward to seeing that process in place sooner rather than later.

One concern we do have is the Senate's role in the process of the move to an Australian head of state, which was a component of each model that was put forward at the Constitutional Convention, be it the direct election model or two-thirds parliamentary

selection model. We believe both of those models in their original state undervalued—indeed overlooked—the role of the upper house. I am still very sad to see that the final model that was decided upon, the so-called bipartisan model on the two-thirds majority, does not envisage a role for the Senate in the dismissal process.

Opposition senators interjecting—

Senator STOTT DESPOJA—Even if some senators do not see a role for the Senate in the process of both appointment and dismissal, perhaps they might consider that there may be a problem with the dismissal process as it currently stands—originally the ARM model but then nicknamed the bipartisan model—by which the head of state can be dismissed with the written notification of the Prime Minister. While I acknowledge that that written notice requires parliamentary ratification—of course, by the House of Representatives only—even if the House of Representatives fails to ratify that dismissal, that head of state is no longer the head of state although he or she would be eligible for reappointment or re-selection to that position. I think there are still issues such as natural justice that should be considered. The Democrats put on record that we have concerns about the Senate process being overlooked.

But overall—and I say this through you, Mr Acting Deputy President Murphy, to Senator Margetts and others who may record their concerns—I thought it was a pretty incredible event. I found it an emotionally inspiring event for a number of reasons, which included the talent and the diversity of views and voices that were reflected and represented at that convention.

I do not believe that the process of debating constitutional change or reform in this country is anywhere near complete. I think we have only just started what should be an ongoing, regular, much more democratic and transparent process. I accept that. I would have liked to have seen us explore in more depth issues, such as codification and the preamble, as well as other issues of constitutional reform: whether or not we have a bill of rights; the role of the states; or whether or not we allow parliamentary ratification of troop deploy-

ments, for example. The Constitutional Convention was a positive beginning to an ongoing process of civic conversation.

I acknowledge the work of the Minister for Schools, Vocational Education and Training (Senator Ellison in this process. I would also like to credit the Chairman and the Deputy Chairman, all the delegates who participated in the convention, the 17,500 people who went through the public galleries and the 80,000-odd who logged on to the e-mail and web site. I would like to hear a few more senators in this place boasting about that level of participation by members of the public as well as by some of the senators. Considering there is a two-way conversation about the Constitutional Convention taking place here, perhaps those people would like to contribute their positive thoughts on the entire process.

Senator BROWN (Tasmania) (5.26 p.m.)—I want to concur with the feeling expressed by Senator Stott Despoja that the Constitutional Convention, warts and all, was an exciting period for the Australian populace at large. For anybody who was out amongst the people of Australia during that period, there was a sense of involvement that is very rare to find in Australian public discourse and democratic events. I was pleased to think that—I suppose I was alone on this side of the house when I went through the turmoil last year of changing my vote and overcoming my misgivings about the formidable shortcomings of the voting system—together with Senator Harradine I helped enable that convention to occur.

I want to agree with one point that Senator Stott Despoja made, with Senator Margetts, about the importance of the role of the Senate—that it cannot be traded off for considerations about head of state and so on. One of the things we do need to look at as a result of the outcome of this convention is the role of the House of Representatives, which is not democratic.

Senator Robert Ray—More democratic than here.

Senator BROWN—It is not; you are wrong on that, Senator Ray.

Senator Carr interjecting—

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Order! Senator Carr!

Senator BROWN—I pick up on the point that there is a disparity in the quotas that are required to get people into this states house.

Senator Faulkner—One of the most unrepresentative elected chambers in the world.

Senator BROWN—Well, not so much as the House of Representatives. If the Labor Party wants to take on the role of the Senate in reflecting the states' interests at the point of Federation, let them do so.

Senator Carr—What states' interests?

Senator Faulkner—We are interested in the electorate's interests.

Senator BROWN—If you are interested in the electorate's interests, you will be backing what I have to say, and that is the need for proportional representation in the House of Representatives.

Senator Robert Ray—That would be over my dead body, I can assure you.

Senator BROWN—If we get proportional representation in the House of Representatives, which would reflect more closely the vote of the Australian people, it would be a very rare event indeed for either the Labor Party or the coalition to have a majority government, because Australians do not vote for that. It is the antiquated, out-of-date, straitjacketed, single member electorate system passed down from Westminster and caught up somewhere in the 1870s which gives people in Australia such a poor outcome for their vote in House of Representatives elections.

Senator Robert Ray—They should have people like you that switch your vote all the time.

Senator BROWN—It means that, on the day after parliamentary elections, 40 to 50 per cent of people wake up to find that the person they voted for is not representing them in the house of government.

Senator Faulkner—You say one thing and vote another way, like you did on the Constitutional Convention. You lied to everyone. You sold out.

Senator BROWN—I am taking into account all the interjections from the Labor Party here. But, worse still, that person finds that the party they voted against is representing them in their seat. There is only one choice, only one person gets in; the winner takes all and the losers lose all. But proportional representation gets around that. It means that you vote for somebody who gets in to represent you. That is why continental Europe has adopted—

Senator Robert Ray—It went well in Italy. They have had central government for 40 years.

Senator BROWN—Senator Ray, I would be happy to take you on and debate this at any time, including in this chamber, but I will get back to the matter at hand. Proportional representation would get around some of the problems that Senator Stott Despoja very validly has with this outcome, whereby the Prime Minister is able to send a note to the President, if it is adopted, and the President no longer is in office. The only way of countermanding that is for the House of Representatives to pass a vote disagreeing with the Prime Minister.

We know that with government power more and more with the executive, and indeed in the Prime Minister's office, that is a very unlikely event while we have single party governments. When you get proportional representation, where you have multi-party pluralistic governments as well as parliamentary make-ups, you then have a safeguard against that because the government would have to not only bully or disagree with the President and put him or her out of office, but also get the complicity of whichever other parties were in government at the time. So there you have it.

My recollection is that in most elections in recent decades in Australia we would have a multi-party government returned under proportional representation. Australia will inevitably go that way. New Zealand has, and Britain is now going in that direction. The new assemblies in Scotland and Wales will have proportional representation. The Blair government, which Labor wants to hook its

fortunes to, is moving to proportional representation for the European elections next year.

Senator Robert Ray—But not for the House of Commons.

Senator BROWN—Inevitably the House of Commons is going to follow. It is possible that the Australian, Canadian and American parliaments will be the last left in the world with this comparatively undemocratic, non-representative single member electorate system.

So I agree with Senator Stott Despoja. There is a problem, while we have single member electorates in the House of Representatives, with this power being vested in the Prime Minister. You can bring up alternative scenarios, but one way of ameliorating that prospect would be for us to move forward to a much more democratic House of Representatives elected by proportional representation.

Question resolved in the affirmative.

COMMITTEES

Community Affairs References Committee

Report

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Pursuant to standing order 38, I present the report of the Community Affairs References Committee on housing assistance, together with submissions and the transcript of evidence, which were presented to the Deputy President on 15 December 1997. In accordance with the terms of the standing order, the publication of the document was authorised.

Ordered that the report be printed.

Senator BISHOP (Western Australia) (5.34 p.m.)—I seek leave to incorporate my tabling statement in *Hansard* and to move a motion.

Leave granted.

The statement read as follows—

The inquiry into housing assistance was referred to the Committee in its present form on 13 February 1997. The Committee received 302 submissions indicating a high level of interest in some sections of the community in the impact of reforms to housing assistance which had been discussed at Council of Australian Governments (COAG) meetings since 1995.

The Committee held three days of public hearings, receiving evidence from 43 organisations and 82 witnesses. Members of the Committee were also able, through the Community Housing Advisory Service of the ACT to inspect 3 community housing organisations in Canberra.

The major issue confronting the inquiry concerned the difficulties faced by disadvantaged members of the community in obtaining secure and affordable housing. Among those groups were people who suffer from special health problems or who have a disability, the frail aged, indigenous peoples, people of ethnic backgrounds and single mothers. The Committee found that the private rental market does not cater for the special housing needs of those groups. They need to rely on public housing to meet their needs and the Committee recognises that sufficient public housing must be allocated to that end.

The major organisations involved in housing research gave evidence that there is a lack of consistent data on housing generally and on the private rental housing market in particular, making it difficult to judge the "effectiveness" of the current forms of housing assistance. The Committee sees the need for better data and has recommended that the Commonwealth government continue to support the expansion of research and data collection in all areas of housing with particular emphasis on the private rental market.

The Committee found strong support among those who made submissions to the inquiry for future Commonwealth State Housing Agreements to retain most of the elements contained in the 1996 Agreement. The Commonwealth was seen to have an essential role to play in the provision and funding of public and community housing and in ensuring that the advantages provided by public housing, such as security of tenure are maintained.

The Committee has focused on the issue of rental assistance to private renters and the affordability of rental housing. There are regional variations in the rents charged around the country and the Committee sees merit in investigating the possibility of a regional approach to Rent Assistance.

The Committee has also found widespread concern about consumer protection in the housing area, in particular issues relating to advocacy services, tenants' rights and minimum standards of housing. While this is a State matter, the Commonwealth can play a role in negotiating with the States for minimum standards to be agreed to as part of the Commonwealth State Housing Agreement.

Community housing provides an alternative to public housing and is of particular benefit for groups with special needs (including single mothers, people with disabilities or the aged). The Committee was impressed with the sense of self

reliance and the sense of community fostered by this type of housing. There are increasingly greater opportunities for community housing groups to raise private capital and enter into headleasing arrangements with the private sector. The Committee would like to see increased support for community housing and it has made recommendations for this to be achieved. Various methods of attracting private investment into cheaper rental housing were raised in evidence. The Committee believes that all governments need to investigate ways of facilitating private sector involvement in low cost housing and of increasing the capital available for those types of housing projects.

The major recommendations of the Committee are: that on its expiration on 30 June 1999, the 1996 Commonwealth State Housing Agreement be replaced by a new Agreement which retains the specification of performance and the strategic planning processes which are in the existing Agreement measures and addresses the issue of State accountability.

that the Commonwealth government continue to support the expansion of research and data collection in all areas of housing, particularly those relating to the private rental market.

that the Commonwealth provide capital funding for public housing at levels sufficient to ensure that the public housing stock is at least 6 per cent of total housing stock.

that the Commonwealth negotiate with the States for security of tenure for public tenants to be included in the negotiations for the next CSHA.

that the Commonwealth consider the possibility of using a region based formula for Rent Assistance payments.

that as part of the COAG process, the Commonwealth negotiate agreed standards of consumer protection for tenants with the States with the objective of legislation being enacted in each State

that the Commonwealth ensure that the State and Territory governments provide sufficient public housing stock which is appropriately designed and well located near specialised health and other services to meet the needs of people with special needs who need to access to such services

that the Commonwealth and the States:

- . explore different community housing models to suit the needs of different groups;
- . explore ways of raising private finance for low cost and community housing;
- . increase the size of the community housing sector; and
- . develop model head leases for community housing organisations which are applicable to

their relationships with the various State and Territory housing authorities.

that in negotiating the next CSHA, the Commonwealth examine methods of providing funding guarantees of more than three years to the States and Territories in order to facilitate private sector involvement in the provision of low cost housing.

Senator BISHOP—I move:

That the Senate take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

FAMILY TRUST DISTRIBUTION TAX (PRIMARY LIABILITY) BILL 1997

TAXATION LAWS AMENDMENT (TRUST LOSS AND OTHER DEDUCTIONS) BILL 1997

FAMILY TRUST DISTRIBUTION TAX (SECONDARY LIABILITY) BILL 1997

MEDICARE LEVY CONSEQUENTIAL AMENDMENT (TRUST LOSS) BILL 1997

Report of Economics Legislation Committee

The ACTING DEPUTY PRESIDENT (Senator Murphy)—I present an errata to the report of the Economics Legislation Committee on Taxation Laws Amendment (Trust Loss and Other Deductions) Bill 1997 and three associated bills, which was presented to the President on 30 January 1998. In accordance with the terms of the standing order, the publication of the document was authorised.

Ordered that the errata be printed.

COMMITTEES

Certain Family Law Issues Committee

Report: Government Response

The ACTING DEPUTY PRESIDENT—Pursuant to standing order 166, I present a government response to the report of the Joint Select Committee on Certain Family Law Issues on funding and administration of the Family Court of Australia, presented to the President since the last sitting of the Senate.

DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT—

Documents have been presented to the President and the Deputy President since the last sitting of the Senate. In accordance with the terms of the standing order, the publication of the documents was authorised.

The list read as follows—

Audit Act—Performance audit—Matters relevant to a contract with South Pacific Cruise Lines Ltd: Department of Education, Training and Youth Affairs (Report No. 24 of 1997-98) [Received on 15 December 1997]

Human Rights and Equal Opportunity Commission—Bringing them home: National inquiry into the separation of Aboriginal and Torres Strait Islander children from their families—Government initiatives in response, 16 December 1997. [Received on 16 December 1997]

Housing Loans Insurance Act—Housing Loans Insurance Corporation—Report for 1996-97. [Received on 18 December 1997]

Mid-year economic and fiscal outlook 1997-98—Statement by the Treasurer (Mr Costello) and the Minister for Finance and Administration (Mr Fahey). [Received on 18 December 1997]

Department of the Treasury—Tax expenditures statement 1996-97, dated December 1997. [Received on 18 December 1997]

Audit Act—Performance audit—The gun buy-back scheme: Attorney-General's Department (Report No. 25 of 1997-98). [Received on 18 December 1997]

Public Service Act—Department of Health and Family Services, including reports on the administration and operation of the Commonwealth Rehabilitation Service, the Therapeutic Goods Administration and the Australian Government Health Service—Report for 1996-97—Corrigendum. [Received on 19 December 1997]

Audit Act—

Performance audit—Evaluation processes for the selection of records management systems [and] Internet access services for the Commonwealth: Office of Government Information Technology (Report No. 30 of 1997-98). [Received on 19 December 1997]

Performance audit—Ministerial travel claims (Report No. 23 of 1997-98). [Received on 22 December 1997]

Financial and administration audit—Management of accounts receivable (Report No. 29 of 1997-98). [Received on 22 December 1997]

Performance audit—Strategic and operational management: National Registration Authority for Agricultural and Veterinary Chemicals (Report No. 26 of 1997-98). [Received on 23 December 1997]

Performance audit—Managing the Year 2000 problem: Risk assessment and management in Commonwealth agencies (Report No. 27 of 1997-98). [Received on 23 December 1997]

Performance audit—Contracting arrangements for agencies' air travel (Report No. 28 of 1997-98). [Received on 23 December 1997]

Australian National Audit Office—Report by independent auditor—Performance audit: review of benchmarking in the Australian National Audit Office, dated December 1997. [Received on 24 December 1997]

Financial statement audit—Aggregate financial statement prepared by the Minister for Finance and Administration, year ended 30 June 1997 (Report No. 31 of 1997-98). [Received on 20 January 1998]

Second Sydney Airport—Draft environmental impact statement: Second Sydney airport proposal—Auditor's report by SMEC, dated January 1998. [Received on 30 January 1998]

Audit Act—Performance audit—The management of boat people: Department of Immigration and Multicultural Affairs, Australian Protective Service [and] Australian Customs Service—Coastwatch (Report No. 32 of 1997-98). [Received on 18 February 1998]

Industry Commission Act—Industry Commission—Report—No. 55—State, Territory and local government assistance to industry, 29 October 1996. [Received on 23 February 1998]

Audit Act—Auditor-General—Audit report for 1997-98—No. 33—Performance audit—Commonwealth management of the Great Barrier Reef: Great Barrier Reef Marine Park Authority (Report No. 33 of 1997-98). [Received on 26 February 1998]

Auditor-General's Reports**Report No. 23 of 1997-98**

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (5.35 p.m.)—I move:

That the Senate take note of the document.

Mr Sharp claims that the Auditor-General's report found that he was careless rather than deceitful. Mr Sharp says:

These mistakes were honest mistakes . . . What this whole issue boils down to is the fact that I made

mistakes and that I was careless and that I have now paid a dear price for my carelessness.

By redefining his offence as merely one of carelessness, he hopes to lay the groundwork to justify his readmission to the ministry. John Sharp would want us to believe that he was a little careless and that alone was the cause of his resignation. The truth is no such benign conclusion can be drawn from reading the Auditor-General's report. It defies credulity to conclude that John Sharp's travel discrepancies were caused by carelessness or sloppy paperwork. Rather than answering questions, the ANAO report raises a raft of new issues that must be answered.

Mr Sharp claims that he relied on memory to complete his TA claims. Apart from the ludicrous spectacle of a minister attempting to claim almost \$30,000 of public moneys on the basis of memory, this claim was openly questioned by the Auditor-General's report. The ANAO report noted that in his original claim certified on 26 June 1996, Mr Sharp claimed TA for the dates of 4, 7, 11, 20 and 23 June, which he then subsequently disclaimed. The Auditor-General was clearly not convinced of this explanation.

Does Mr Sharp expect us to believe that he was unable to remember on 26 June where he had been only three days before? Yet he was comfortable in compiling his claims from memory for periods of up to six months before. Even the timid language of the ANAO report could not conceal the ANAO's dissatisfaction with this explanation. This is not a question of carelessness. His explanation when squared with the facts simply cannot be believed. The ANAO report hints at it—and it must be stated right now: Mr Sharp's explanation is nothing more than a post facto justification for dishonestly obtaining travel allowance.

The first of Mr Sharp's 1996 TA claims was submitted on 26 June 1996 and the second was submitted on 19 January 1997. Why then did Mr Sharp's staff tell Laurie Oakes in September 1997 that Mr Sharp did not get around to completing any TA claim forms until he took leave in January? We all know why this line was put out. It was to put more time between the actual travel and the

submission of TA claims, hence justifying his apparent appalling memory. The truth is that staff deliberately misled Laurie Oakes. As John Sharp himself had actually filled in the reports in his own handwriting, the source of this misleading story is obvious to all.

The ANAO report noted that Mr Sharp's office had advised that the minister had indicated that he preferred to prepare his own travel allowance claims. One could understand a busy minister insisting on such a process so as to meticulously ensure the accuracy of every claim. In Mr Sharp's case, however, the true reason for the exclusion of the staff from this aspect of office administration appears more sinister. Why were the staff excluded?

Mr Sharp admitted to charging charter flights to the Commonwealth that involved strictly personal travel. The report notes that Mr Sharp advised ANAO that he used charter flights on occasions to visit his sick father. While all senators would extend their sympathy to Mr Sharp, this has never been accepted as a legitimate use of Commonwealth funded charter travel.

Further, the ANAO report questioned charter flights that were subsequently disclaimed in Mr Sharp's second revision. He was also unable to explain how invoices for flights that he claims he never took were certified by his office and forwarded by his office to MAPS. The details of these flights had earlier been provided to Mr Sharp prior to their release under FOI. He checked them at that time and advised DAS of several destination coding errors, but he did not identify any other flight details as having been incorrect.

How was he able to correct some destination codes but not realise that some of the details were for flights that he now says he never booked and never took? What were the circumstances surrounding the invoicing of charter flights to Mr Sharp's home department rather than to DAS? Why did Mr Sharp's electorate office forward charter flight invoices to the Department of Transport and Regional Development?

Will Mr Sharp now confirm that these arrangements were undertaken at his insistence because of a disagreement about the

extent of the entitlement by DAS? Is it the case that Mr Sharp approached Minister Jull for approval of his April 1996 flights and was knocked back? Is it the case that Mr Sharp took the charter flights anyway and billed them to the department of transport, which in turn billed DAS, and this fact was never brought to the attention of Mr Jull?

The bottom line for Mr Sharp is the report's conclusion that the 37 per cent variation rate in his first revised travel allowance claim is significant. The opposition has always sought to establish a realistic benchmark for understandable errors in TA claims. Half a dozen errors in a 12-month period was understandable before these matters became a matter of public controversy. But Mr Sharp's corrections involved the withdrawal of 37 per cent of his abnormally high TA claims. Further corrections that followed after his resignation have taken the variation rate even higher.

Yet despite all these discrepancies, the massive variation rate, the explanations that just do not stack up and the strange selective behaviour of Mr Sharp, we are expected to believe that he was just careless rather than dishonest. Why then when he made the repayments did he ask that the covering letter to DAS not go on the file? The chronology of events prepared by DAS for the Prime Minister on 23 September 1997 clearly states that Mr Sharp made such a request. The letter subsequently did not go on file. Yet now Mr Sharp claims that he gave no such instruction. Clearly this demonstrates a pre-emptive attempt at a cover-up.

John Sharp knew that the massive corrections to his TA claims would be a matter of controversy were they ever to become public. Not only are his TA claims reeking of dishonesty, his behaviour when he decided to amend his claims betrays his mental state. He knew he had done wrong and he sought to conceal it.

This report that we are dealing with was critical of MAPS for not checking Mr Sharp's claim outside the period under review. If John Sharp wants to claim that there are now no questions hanging over him relating to his TA claims, he should seek such a review. Was it his practice to prepare his TA from memory

prior to becoming a minister? If it was, even John Sharp would have to acknowledge the distinct possibility that a variation rate approaching 37 per cent could exist in these earlier claims.

Why was the Auditor-General restricted to looking at Mr Sharp's claims for just nine months? Clearly his claims for the 1993-96 period are critical. The same patterns of claims exist and he has admitted to the ANAO that, as a backbencher, he used the same arrangement to complete his TA claims that he would later use as a minister. Many of the records for this earlier period are with the Department of the House of Representatives, the authority responsible for paying the TA of non-ministers.

The simple truth is the ANAO report was by its very nature not able to challenge the veracity or honesty of Mr Sharp's explanations. The report could only note his explanations and present other contrary evidence in an essentially non-judgmental fashion. The Auditor-General did not complete a report on all aspects of the Prime Minister's written reference. It was not within his power to examine the claims of Mr Sutherland—they were not relevant to the audit process. Hence there has been no inquiry into Mr Sutherland's claims and the government has let them lapse. In turn this has meant no public exposure of the grubby role of the Prime Minister's office in attempting to conceal Mr Sharp's repayment.

This report does not clear him of impropriety. It does not justify his readmission to the ministry. As far as I can see, John Sharp can never return to the frontbench while all these questions remain unanswered. Mr Sharp's travel claims, both for the period when he was a minister and for the period before March 1996, should now be referred to the Federal Police. The extraordinary magnitude of the repayments coupled with the absurd explanations for the various discrepancies require nothing less.

Senator ROBERT RAY (Victoria) (5.45 p.m.)—Shortly after the publication of the ANAO performance audit on ministerial travel claims the former Minister for Administrative Services, Mr David Jull, claimed there was no

impediment to his return to the ministry. It may just be that he is right. However, it has to be said that he took a few hits on the way through in this particular report.

What were Mr Jull's faults? Why was he dismissed from office? I think you can distil it down to four points. Firstly, his failure to keep the Prime Minister informed of certain events by some of his ministers. Secondly, misleading the parliament through the tabling of documents associated with ministerial travel allowance. Thirdly, biased and inequitable treatment vis-a-vis government and opposition members of parliament. Fourthly, a failure to reform a flawed system despite dire warnings from his own departments.

Before going on to each of these points, let me reinforce Senator Faulkner's point that the Auditor-General rightly rejected the Prime Minister's request to look at issues not associated with an efficiency audit. The Auditor-General's office is not a political office. Any inquiry into whether there was any complicity between the Prime Minister's office and Mr Jull's office and Mr Sharp's office is a matter for a legal inquiry. This is just the one that the government wants to resist at all costs.

The first of Mr Jull's faults—that is, not keeping the Prime Minister informed—is hardly a hanging offence. Prime ministers are busy people and cannot be expected to know everything. Indeed, if ministers constantly bombarded their Prime Minister with all the information at their disposal they would run the risk of alienating the Prime Minister very quickly. Yet it is now clear, of course, that the Prime Minister's office was informed—that is, by way of Mr Jull's senior adviser, Mr John Sutherland, advising the Prime Minister's chief political adviser, Mr Grahame Morris, and his office manager, Ms Fiona McKenna. It is therefore possible to find Mr Jull absolutely innocent in respect of the matter of not keeping the Prime Minister informed.

On the question of misleading parliament, the Auditor-General is specific. Page 51 of his report states:

Mr Jull, as the Minister responsible, tabled a report which was not accurate or internally consistent.

Thus Mr Jull misled parliament. In interviews following the release of the Auditor-General's report, Mr Jull said that he had really done what everyone has done in the past. What he is failing to acknowledge is that this is the first time that these types of figures had been tabled in the House of Representatives rather than issued by way of a press release. However, I have to say in fairness to Mr Jull, that it remains unclear whether Mr Jull deliberately misled the parliament. There is a possibility, in tabling these figures, that it did not occur to him that he was in fact misleading parliament.

If, as Mr Jull claims, he was acting on advice from his department, why was the Auditor-General unable to find any documents to support this claim? Certainly, if such documents had existed both the Deputy Secretary and the Secretary to the former Department of Administrative Services would have intervened and advised Mr Jull that he was adopting an inappropriate course. Mr Jull may, in future, consider the wisdom of getting in writing any information he gleans from a friendly source in the department. But again, on balance, this is not a hanging offence and, by itself, should not debar Mr Jull from once again attaining ministerial office.

On the third point, Mr Jull is patently guilty. This was an exercise in smearing former Labor ministers for repaying legal claims to travel allowance whilst, at the same time, covering up illegal claims of certain coalition members. Claims made by former Labor government ministers and coalition shadow ministers for periods between the policy launches and election day, I stress, were entirely legal claims. The decision to highlight only the repayments by certain former Labor government ministers was political in motivation. Repayments made by former coalition shadow ministers in the House of Representatives were not highlighted and have yet to be published—they were protected. There was no such luck of course for coalition shadow ministers in this place—one sitting in this chamber probably repaid two days, to the best of my knowledge.

Mr Jull had made a great fuss of Labor's delay in publishing the 1994-95 ministerial

travel allowance claims. He published these with full office backgrounding and then published the 1995-96 figures early just in case anyone had missed the point. So he knew what a potent political weapon he had when he published the full set of figures in May 1997.

Being in charge of the Ministerial and Parliamentary Services Division of DAS does give a minister quite a considerable degree of power, but it should also give a minister a degree of responsibility. In the 15 months I held that particular power I cannot think of a biased decision I made to disadvantage coalition senators. They can correct me if I am wrong. I cannot make that claim for the totality of the Labor government. I am sure there was the odd occasion when favouritism was shown to Labor rather than the coalition opposition.

I think Mr Jull's sin in this case was simply to take it too far. However, I would argue that the lesson is probably learnt and we now have a more transparent and efficient administration and so we will see less of this bias in the future. As long as governments appoint people of the quality of Mr Oliver Winder you will not get a biased administration of these particular entitlements.

It is probably on the fourth question that I raised, on the failure to reform the system, where it has to be said that Mr Jull has been less than truthful. He claimed that he was left with a mess to clean up and that he had made efforts to fix the problem. These claims have a pretty hollow ring on examination. The reform process actually began in 1994, following DAS's approval of Mr John Howard's personal intervention in the postal workers' ballot by way of use of taxpayers' funds. There was a positive response to the proposal for reform from all the people canvassed, including Mr Fisher and a whole range of people, the notable exception of course being Mr John Howard.

Mr Jull certainly acted positively in response to the concern for reform expressed by his department in the period September 1996 to February 1997. Plans were drawn up for a full review of parliamentary entitlements. These plans were translated into budget

documents for the consideration of the Expenditure Review Committee. But what happens next? Suddenly, on 5 February, 1997, these documents disappeared. Political soundings had been taken and it was then decided to drop off reform of parliamentary entitlements. 'Don't rock the boat,' was the message back from the various offices like Mr Reith's and Mr Howard's, that had been sounded out.

So if Mr Jull has a fault, it was weakness at that time. He should have stood up. He should have demanded that his cabinet submission go ahead. Of course, these all can be substantiated by reference to documents, including one leaked document that DoFA has put the Federal Police on to, to try to find the source of, which rather verifies it as an important document.

The government only moved to reform this particular area one month later, after it had junked the lot, on 5 March in a panic over allegations about Senator Colston. With half an hour's notice to his department, suddenly Mr Baxter is employed to investigate this area. The department got half an hour's notice before question time. Mr Baxter got half an hour's notice before question time.

Basically, if you take all these factors into account, it is possible to conclude that Mr Jull deserves some time out of office, but it is also possible argue that there is nothing to debar him from returning to ministerial office in the future. Political commonsense suggests that such a re-elevation should only occur if the coalition is successful after the next election.

I want to conclude on this point: there are two great points to Mr Jull's credit here. One is that he, in fact, informed everyone that there were communications between his office and the Prime Minister's office on these things, and if he had not done so, we never would have known. Secondly, I will say this about Mr Jull, even after all this, he still had the intestinal fortitude to actually be the only Liberal to stand up and defend Mr John Mellors, who was made a scapegoat by this government and by the Prime Minister. Those two things, and the fact that there was no hanging offence running through any of these particular things, suggest to me that, unlike

Mr Sharp, Mr Jull can return to higher duties at some time in the future.

Question resolved in the affirmative.

Business of the Senate

The ACTING DEPUTY PRESIDENT—I present Business of the Senate for 1997.

Ordered that the document be printed.

Questions of Notices: Summary

The ACTING DEPUTY PRESIDENT—I present Questions on Notice—Summary to 31 December 1997.

TIBET

The ACTING DEPUTY PRESIDENT—I present the response by His Excellency, Hua Junduo, Ambassador, Embassy of the People's Republic of China, to a resolution of the Senate of 24 November 1997 concerning the appointment of an Australian Special Coordinator for Tibet.

NORTHERN TERRITORY: LEGISLATION

The ACTING DEPUTY PRESIDENT—I present the response by the Chief Minister of the Northern Territory, Mr Stone, to a resolution of the Senate of 3 December 1997 concerning the Northern Territory's mandatory sentencing legislation.

HUMAN RIGHTS

The ACTING DEPUTY PRESIDENT—I present the response by the Hon. Philip Ruddock, Minister for Immigration and Multicultural Affairs, to a resolution of the Senate of 30 October 1997 concerning the policy of mandatory detention of boat people.

BUDGET 1997-98

Consideration by Legislation Committees

Additional Information

Senator CALVERT (Tasmania) (5.56 p.m.)—On behalf of the respective chairs, I present additional information received by the following legislation committees: Community Affairs; Environment, Recreation, Communications and the Arts; Foreign Affairs, Defence

and Trade; Rural and Regional Affairs and Transport; Legal and Constitutional Affairs.

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT—I have received letters from the leader of the Australian Democrats seeking variations to the memberships of certain committees.

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

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

Community Affairs Legislation Committee—

Discharged as a participating member and appointed as a member: Senator Bartlett

Discharged: Senator Lees

Environment, Recreation, Communications and the Arts Legislation Committee—

Discharged as a participating member and appointed as a member: Senator Allison

Discharged: Senator Bartlett

Participating member: Senator Bourne

Environment, Recreation, Communications and the Arts References Committee—

Appointed: Senator Allison

Discharged: Senator Lees

Legal and Constitutional Legislation Committee—

Appointed: Senator Stott Despoja

Discharged: Senator Murray

Legal and Constitutional References Committee—

Appointed: Senator Stott Despoja

Discharged: Senator Murray

Substitute member: Senator Murray to replace Senator Stott Despoja for the committee's inquiry into the Australian legal aid system.

ASSENT TO LAWS

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

Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Imposition Bill 1997

Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Bill 1997

Superannuation Contributions Tax Imposition Amendment Bill 1997

Superannuation Legislation Amendment (Superannuation Contributions Tax) Bill 1997
 Termination Payments Tax Imposition Amendment Bill 1997
 Parliamentary Service (Consequential Amendments) Bill 1997
 Trans-Tasman Mutual Recognition Bill 1997
 Superannuation Contributions and Termination Payments Taxes Legislation Amendment Bill 1997
 Customs Tariff Amendment Bill (No. 2) 1997
 States Grants (General Purposes) Amendment Bill (No. 2) 1997
 Wheat Marketing Amendment Bill 1997
 Child Care Payments Bill 1997
 Child Care Payments (Consequential Amendments and Transitional Provisions) Bill 1997
 Social Security Legislation Amendment (Parenting and Other Measures) Bill 1997
 Workplace Relations and Other Legislation Amendment Bill 1997
 Corporations Law Amendment (ASX) Bill 1997
 Telecommunications Legislation Amendment Bill 1997
 Australia New Zealand Food Authority Amendment Bill (No. 2) 1997
 Social Security and Veterans' Affairs Legislation Amendment (Family and Other Measures) Bill 1997
 Migration Agents Registration Application Charge Bill 1997
 Migration Agents Registration Renewal Charge Bill 1997
 Migration Legislation Amendment (Migration Agents) Bill 1997
 Australian Meat and Live-Stock Industry Bill 1997
 Australian Meat and Live-Stock Industry (Repeals and Consequential Provisions) Bill 1997
 Beef Production Levy Amendment Bill 1997
 Buffalo Export Charge Bill 1997
 Buffalo Slaughter Levy Bill 1997
 Cattle (Exporters) Export Charge Bill 1997
 Cattle (Producers) Export Charge Bill 1997
 Cattle Transactions Levy Bill 1997
 Live-Stock Slaughter (Processors) Levy Bill 1997
 Live-Stock Transactions Levy Bill 1997
 Live-Stock (Exporters) Export Charge Bill 1997
 Live-Stock (Producers) Export Charges Bill 1997
 National Residue Survey (Buffalo Slaughter) Levy Bill 1997
 National Residue Survey (Cattle Transactions) Levy Bill 1997

National Residue Survey (Cattle Export) Levy Bill 1997
 National Residue Survey (Sheep, Lambs and Goats Transactions) Levy Bill 1997
 National Residue Survey (Sheep, Lambs and Goats Export) Levy Bill 1997

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 1997-98

APPROPRIATION BILL (NO. 3) 1997-98

APPROPRIATION BILL (No. 4) 1997-98

First Reading

Bills received from the House of Representatives.

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

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

Bills read a first time.

Second Reading

Senator NEWMAN (Tasmania—Minister for Social Security) (5.59 p.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 1997-98

In Appropriation (Parliamentary Departments) Bill (No. 2) 1997-98, appropriations totalling \$416,000 additional to those made in the Appropriation (Parliamentary Departments) Act 1997-98 are sought for recurrent expenditures of the Parliamentary Departments.

The increases sought relate to increase in the running costs for the Departments of the Senate and the House of Representatives of \$120,000 and \$296,000 respectively, largely as a result of a higher carryover of unspent funds from 1996-97 than anticipated at the time of the Budget.

I commend the bill to the Senate.

APPROPRIATION BILL (No. 3) 1997-98

Appropriation Bill (No. 3) 1997-98, together with Appropriation Bill (No. 4) and the Appropriation (Parliamentary Departments) Bill (No. 2), which I shall introduce shortly, comprise the Additional Estimates for 1997-98.

In these bills, Parliament is asked to appropriate moneys to meet essential and unavoidable expenditures additional to the appropriations made for 1997-98 under Appropriation Acts (Nos. 1 and 2)

and the Appropriation (Parliamentary Departments) Act.

The additional appropriations in these three bills total some \$1,684 million; \$1,173 million is sought in Appropriation Bill (No. 3), \$510 million in Appropriation Bill (No. 4) and less than half a million dollars in the Appropriation (Parliamentary Departments) Bill (No. 2).

These amounts are partly offset by savings in the appropriations made by Appropriation Acts (Nos. 1 and 2) and the Appropriation (Parliamentary Departments) Act 1997-98. Reflecting the Government's determination to improve the efficiency of continuing programs, these savings, amounting to some \$373 million in gross terms, are detailed under the relevant appropriation headings in the document "Statement of Savings Expected in Annual Appropriations", which has been distributed to honourable senators.

After allowing for prospective savings, the total appropriations sought represent a net increase of \$1,311 million in appropriations for 1997-98, an increase of about three per cent on the amounts made available through the annual appropriations at the time of the 1997-98 Budget.

honourable senators should note, however, that this increase does not translate to a similar increase in either the estimated headline or underlying outlays as:

- (a) the appropriations include amounts which are functionally classified as revenue or financing transactions; and
- (b) the figures relate only to expenditures financed by annual appropriations, which comprise about 30 per cent of Budget headline outlays. They do not include variations to estimates of expenditures from special appropriations, transactions recorded through the Trust Fund or Loan Fund; nor do they incorporate any revisions to receipt items which are offset within outlays

I turn now to the main areas for which the Government seeks additional provisions in the Appropriation Bill (No. 3) 1997-98 to meet payments for the ordinary annual services of the Government.

Running costs appropriations provide for the recurrent and minor capital costs of agencies in providing Government services. The total gross supplementation for running costs for all departments of \$269 million. After allowing for estimated savings in running cost appropriations of \$84 million, the net increase in the provision for running costs of \$185 million represents an increase of about one and a half per cent on the funding for running costs included in Appropriation Act (No. 1).

Principal factors contributing to this increase are higher than anticipated carryovers of unspent

moneys from 1996-97 and borrowings against forward estimates.

Gross additional estimates of some \$111 million are sought for the Defence Portfolio in Appropriation Bill (No. 3). This figure includes:

- \$12 million for compensation and legal expenses in respect of the Military Compensation Scheme;
- \$6 million for ex gratia payments for additional military compensation agreed by the Government earlier this year;
- \$88 million for Equipment and Stores for high priority logistic items including spares and equipment repair activities; and
- \$4 million for Defence Cooperation to provide urgent assistance to the Papua New Guinea Defence Organisation.

The increases have been partly offset by reductions of \$72 million in other Defence annual appropriations, giving a net increase of some \$39 million.

In addition, Appropriation Bill (No. 3) includes provision for:

- \$13 million for medical services and \$23 million for pharmaceutical services for veterans reflecting the Government's commitment to maintain effective care for an aging veteran population;
- \$245 million for the maintenance of veterans in non-departmental institutions, largely reflecting a self balancing transfer of \$189 million from the Nursing Homes Benefit special appropriation in the Department of Health and Family Services following the Government's decision that responsibility for residential aged care for veterans would be centralised in the Department of Veterans' Affairs;
- \$27 million for payment to the Employment Services Regulatory Authority reflecting a delay in the time of the commencement of the new Employment Services Market anticipated at Budget time;
- \$71 million for managing surplus staff of the former Department of Administrative Services business units for which the actual costs could not be reliably determined until arrangements for the sale of the businesses had been completed;
- \$20 million for estate management expenses to meet the estimated costs in 1997-98 of the sale of the first tranche of Commonwealth Office Buildings;
- \$40 million for the cost of major asset sales, largely attributable to an anticipated increase in the sales commission as a result of an expected increase in the proceeds of the partial privatisation of Telstra;
- \$31 million for the Australian National Railways Commission largely reflecting the costs of interest on its outstanding debt following a delay

in the anticipated assumption of that debt by the Commonwealth; and

- . \$174 million for the assumption of the debt of the Australian National Railways Commission principally as a result of a decision to repay early one of the Commission's loans.

The balance of some \$149 million in the amount included in Appropriation Bill (No. 3) is made up of minor variations across a range of programs in most departments and agencies.

I commend the bill to the Senate.

APPROPRIATION BILL (No. 4) 1997-98

In Appropriation Bill (No. 4) 1997-98, appropriations totalling \$510 million—additional to those made by Appropriation Act (No. 2) 1997-98—are sought for capital works and services; payments to or for the States, the Northern Territory and the Australian Capital Territory; advances and loans; and for other services. The proposed appropriations are required to meet essential and unavoidable expenditures for which provision was not made in the Budget appropriation measures.

The additions are necessitated by certain cost and price increases that have occurred since the Budget, together with other commitments that have been made by the Government. Areas where significant increases are sought over amounts provided in Appropriation Act (No. 2) 1997-98 include:

- . \$35 million for payments to the States and Territories for legal aid to cover funding under the new arrangements with the States which is largely offset by a reduction in the Budget time estimate of Commonwealth direct funding of legal aid;
- . \$25 million for payments for hearing services under interim arrangements as a result of the deferral of the introduction of contestable funding arrangements for the hearing services programme from 1 July 1997 to 1 November 1997—this increase is fully offset by a reduction in estimated payments for contestable hearing services through a voucher system;
- . \$30 million for assistance to the Sydney Organising Committee for the Olympic Games to reimburse SOCOG for any income and sales tax paid;
- . \$58 million for rural adjustment largely as a result of 'exceptional circumstances increases' (for South Burnett, Gippsland, and extension of drought relief in parts of Queensland and NSW) and a transfer from the Integrated Rural Policy Package for the repayment of interest rate subsidies commitments under Rural Adjustment Scheme;
- . \$22 million for assistance to Tasmania under the Tasmanian Regional Forrest Agreement;

- . \$21 million for income support, counselling, re-establishment grants and payments for service delivery under the Farm Family Restart Scheme;
- . \$12 million to meet the Commonwealth's share of the shortfall in the Snowy Mountains Hydroelectric Authority's recovery of the net cost of the production of electricity;
- . \$29 million to the Department of Social Security for computer equipment;
- . \$29 million for compensation to the States and Territories for the extension of fringe benefits to pensioners and older long-term allowees and beneficiaries;
- . \$10 million for the Newcastle assistance package following the announcement by BHP that it would cease its steel manufacturing operations in Newcastle;
- . \$10 million for assistance through the States for regional assistance to ameliorate the impact on local communities of the restructure of the Australian National Railways Commission. This increase is offset by an equivalent reduction in direct funding on this programme by the Commonwealth;
- . \$16 million for payment to the National Rail Corporation under clause 5(b)(4) of the National Rail Shareholder's Agreement to meet its outstanding obligations;
- . \$96 million for payments to the States in lieu of stamp duty on the sale by the Commonwealth of the leases of airports due to a recent High Court decision that the States are unable to collect stamp duty relating to the sale of Commonwealth properties within State jurisdictions. The Commonwealth will collect the stamp duty and make equivalent payments to affected State Governments in respect of the sale of leases of the Brisbane, Perth and Melbourne airports.

The remaining \$117 million included in Appropriation Bill (No. 4) comprises minor increases in a number of programs across a range of portfolios.

I commend the bill to the Senate.

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

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

SOCIAL SECURITY LEGISLATION AMENDMENT (YOUTH ALLOWANCE) BILL 1997

Second Reading

Debate resumed.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (6.00 p.m.)—I think the Social

Security Legislation Amendment (Youth Allowance) Bill 1997 that we have before us today is perhaps a timely reminder of the government's two years in office. I begin by acknowledging that there are a couple of positive measures in this bill. The Democrats are prepared to welcome and acknowledge those aspects of the bill, although in some cases even they have a bit of a nasty lining. The rent assistance conditions are one example. We think it is a winner for students to be eligible for rent assistance but in fact there are certain eligibility requirements there that seem unfair.

There are also aspects of this legislation that are reminders of some of the worst aspects of this government's policy measures, specifically in relation to young people, students and their families. This legislation is based on a premise that young people should be financially and I suppose otherwise dependent upon their families well into adulthood. I believe this is a misreading of the reality of family life today in this country, and it overlooks the social and many economic realities of young people and Australian families.

I think perhaps one of the worst measures and one of the most sad measures in this bill is the lack of eligibility for 16- and 17-year-olds for unemployment benefits or benefits of any kind unless they satisfy certain exemptions if they are not in employment, education or some form of training. I think that will be incredibly problematic for many thousands of young Australians. I ask the government at this point how they anticipate those young people will survive? Indeed, has the government calculated the kind of impact, financial and otherwise—certainly there is a social impact—on those families who will have to look after these young Australians?

Essentially, the common youth allowance replaces a number of payments made under the Social Security Act 1991 and the Student and Youth Assistance Act 1973—the youth training allowance, the newstart allowance and sickness allowance for 16- to 20-year-olds and for most 15-year-olds; Austudy for students aged 16 to 24 inclusive and older if the student commences a course prior to

turning 25 years of age; and 15-year-olds receiving Austudy benefits.

As has been mentioned many times in this debate today, the aim of the government to make payments more streamlined is of course administratively sensible and it is something that the Democrats support. We do support the aim to create a more flexible income support system, to reduce the number of the different rates of payments and to address the problems of those young people who are too often bounced between departments like DEETYA and the Department of Social Security. We support those measures.

However, the government's statement that 'the youth allowance reinforces the government's philosophy that families should support young people until they have achieved financial independence' does raise some concerns for the Democrats. We believe that neither young people nor their parents should be subject to unreasonable hardship as a result of this so-called mutual obligation. They seem to be the buzz words not only in this debate but also in many debates of this nature that we have under this government and indeed the former government.

The common youth allowance relies on a moral obligation for parents to support their adult children. We are not talking about young, young people; we are talking about young adults—in fact adults. No such legal obligation exists for parents to do that. Nor is there any such legal obligation in any existing or other legislative framework.

The common youth allowance sets the age of independence for young people who are seeking work at 21 years and for those engaged in full-time study or training at 25. I believe that this is contrary to community norms and even the government's own practice. We have heard examples in the chamber today of where this does not conform with other measures and policies. The Child Support Act, for example, provides that parents are no longer responsible for providing maintenance once the child has become an adult. That is at the age of 18. Yet the government has failed to address that particular situation by increasing child support—the child support obligations of non-custodial

parents—until an adult child is 21 years of age.

The government's own recent tax initiative, the family tax initiative, cuts out at 16 for a young person not in education or 18 for those young people who are students. I note too that in some cases young people will receive the common youth allowance directly at the age of 18. I presume this is because they are considered adult enough to receive a direct payment at 18. Yet when it comes to the rate of that particular payment they are viewed as dependent upon their parents. The government full well knows, and of course the Labor Party should too, that their concocted ages of independence are indeed a sham.

According to government figures, this bill and these measures will affect a significant number of young Australians. Around 560,000 young people will be eligible for the youth allowance. We acknowledge that students will make up around 70 per cent of this particular group. It is estimated—and these are government figures—that around 33,250 or six per cent of young people will receive less money as a result of this bill. I assume that is the minimum number who will miss out as a consequence of these changes—that is, the minimum number who will receive less money.

The bill will make 12,800 young people who would currently receive some form of income support ineligible to receive any payment at all. Again, I presume this is a minimum number. I am happy to be corrected. I am using government figures for the sake of this argument. The bill will force 13,400 young people who have left school earlier than the end of year 12 to return to school next year.

These cuts to income support—those people who are on less benefits or no benefits at all—will also impact adversely on those young people's families. In short, families are getting a shonky deal from this government. The youth allowance rhetoric in line with other government policies, such as work for the dole, talks a lot about the concept of mutual obligation. Far from being mutual, what the reality of the government's programs means is a greater obligation on young people

and their families to fend for themselves without any assistance from society or from government.

The critics, and there are many, of this approach by government towards young people observe this government policy or the government's obsession with a back to the 50s approach—a return to the halcyon days of the 50s. The figures and amounts upon which the government has based its parental means testing are certainly more appropriate for families living in the 50s than in the 90s.

According to this legislation, entitlement to the youth allowance will be subject to a parental means test. This particular test will kick in when the family income is only \$23,400. An entitlement for families with one adult child will cut out completely when the parental income reaches \$41,000. Again, I think this is one of the more sinister measures. We will be supporting any attempts to change these thresholds which are rather seemingly harsh and mean.

Indeed, the Democrats believe that the government's approach to those young people and others who need to access income support in our society, or in the case specifically of the Austudy scheme the income supplement, is very different from its proposed treatment of wealthier Australians when it comes to the potential for maximising avoidance. I think it is rather a hypocritical approach. Young people and others who are dependent upon income support have incredibly harsh measures, eligibility criteria and crackdowns applied to them. I wish the same measures were applied to those at the big end of town who seem to be the winners under this particular government.

The common youth allowance, it is said by government, is intended to remove the 'disincentive' to study that currently exists. This disincentive is a financial barrier that has been created by the treatment of student assistance as income supplement rather than income support. So it is a disincentive of the government's own making, as was the case with the previous ALP government.

I acknowledge that DEETYA predicts that the majority of young people will seek to remain at school or return to school and that

around 27,000 people may seek to return to education and training as a result of the common youth allowance. The Democrats and many others would consider this a good thing if it were not simply a stick approach—that there is actually an incentive for young people and students to participate in the education system in a way that also enables them to have a viable and livable income and, of course, a lifestyle that is also healthy. But for those 27,000 young people I do not believe that the common youth allowance really provides a true incentive to study. The youth allowance may provide a financial imperative, but to force back to an educational training environment young people who may not necessarily want to be there or cannot be there is simply going to place undue pressures on not only those young people and their families but also the education system and teachers.

The Democrats' attempts, specifically the attempts by Senator Lyn Allison in the Senate employment, education and training committee to examine the impact of the common youth allowance on education and training institutions in Australia, were stopped by government. It was agreed to by the committee and then it was stopped. I think the government was incredibly remiss in being unwilling to even examine in some worthwhile and meaningful fashion the actual impact—negative or positive—that the common youth allowance would have on our educational institutions. That was a lost opportunity and I think it is one that teachers and education administrators all around the country are very concerned about. We have even heard from state and territory education ministers and representatives that they are very concerned about the lack of income support going to the states to deal with the potential impact of the CYA on education institutions.

Similarly, the Democrats are concerned about the pressures on sectors such as the vocational education and training sector. In 1996, 15- to 24-year-olds constituted over 40 per cent of participants in the vocational education and training system with the participation for 15- to 17 year-olds close to world's

best practice levels. However, even when the differences in data definitions and OECD cross country comparisons are taken into account, there is a gap between the current Australian participation rates and the country with the highest participation rate per age cohort. In particular, the participation of 18- to 24-year-olds would need to be expanded considerably in Australia in order to obtain the participation rates of best practice countries.

In the context of current negotiations over a new ANTA agreement, state, territory and Commonwealth ministers for vocational education and training have recognised that the common youth allowance and an increased emphasis on the provision of vocational education and training in schools will impose additional costs and pressures on the VET sector. In the 1996-97 budget, an efficiency dividend on Commonwealth owned purpose outlays resulted in a five per cent reduction of funding provided to ANTA. In 1997-98, the Commonwealth reduced annual funding to the states and territories appropriated under the Vocational Education and Training Funding Act 1992. This was to provide an incentive to the states and territories to achieve efficiency gains in vocational education and training operations. This reduction, which took effect on 1 January this year, is estimated to be around \$20 million in the 1998 calendar year.

There is even greater unmet demand in the VET sector than the higher education sector. Something like 8.3 per cent of VET placement seekers are unable to gain a place compared with 3.1 per cent of higher education placement seekers. With a 1996 figure of 60,000 unmet demand places at TAFE alone, doesn't the government seem to be putting the cart before the horse by compelling young people to enter these education and training institutions whilst we have not proven—we have not established, certainly financially and economically—that these institutions can provide these young people with a place?

The Democrats are all for some kind of incentive to get young people, especially traditionally disadvantaged young people, into the education and training sector, but you

have to supply the places and you have to supply some form of student financial assistance and support to ensure that they get there. One thing you do not do is put other fees and charges and financial barriers in their path. Do not worry: I am not going to get stuck into HECS and other fees and charges today because I think it is on record enough—perhaps never enough but I will take that up in the committee stages.

In relation to Austudy, for those young people who do want to access education, the overwhelming disincentive to study is the embarrassingly below poverty line rates of student assistance in this country. Do not worry: we have not forgotten the failure of the Labor government to commit to a living income for students either. Despite assurances that Austudy would eventually be brought into line with unemployment benefits so that young Australians would not be living in poverty, the Labor government never matched its rhetoric on Austudy with any kind of meaningful action or financial commitment either. I note that it is still on record that the former minister Ross Free, in his correspondence to the National Union of Students, said:

Austudy is not designed to provide a student's full living costs.

In fact, in my time in NUS, the slogan was 'You can't feed a dog on Austudy.' I wonder if it will be 'You can't feed a cat on the youth allowance.'

Labor and coalition fees and charges for education and training have been the greatest disincentives—both financial and, I believe, psychological disincentives—to enter into and participate in education and training in this country. One of the government's claims is that, under the common youth allowance, students are the big winners. The claim is made because of the extension of rent assistance to compensate for the inadequacy of below poverty line Austudy. We, of course, welcome the extension of the rent assistance for students—we have long called for it—but note that not all young people or students on the youth allowance will qualify. I think that has been overlooked in some of the debates we have heard.

Access to rent assistance for students and the young unemployed is limited to those required to live away from home. This is regardless of whether they actually do live away from home or the amount or consistency of financial support they receive from their parents. Potentially, someone living in Wollongong could be required to work, study or job seek in Sydney, travel three hours a day and not be eligible to qualify for a higher rate of payment or rent assistance because they do not need to live away from home, according to this bill. I am happy to be corrected, if that is not correct. Indeed, I would be very keen to hear that that three-hour travel distance, allowing for both ways, does not apply.

Believe it or not, the actual means test, the unreliable and ambiguous Austudy actual means test, is going to be extended to apply to the common youth allowance. I think most of us know that the Austudy AMT has been nothing short of a disaster. One of the main problems with the means test and with Austudy in general has been, of course, the overuse of regulations to enact the legislation—again, a process that I acknowledge was started by the former government but I think has been entrenched or exacerbated by the coalition government. The 1997 report into Austudy conducted by the Australian National Audit Office found that the administrative complexity of the Austudy scheme was the result of many factors including:

- . the number of regulations that underpin the Scheme;
- . the number and frequency of changes made to these regulations each year;
-
- . the complex administrative guidelines developed in relation to the Scheme; and
- . the layers of interpretation that are required before the regulations and administrative guidelines can be translated into an eligibility decision.

The Australian Democrats urge the government to take heed of the warnings and the findings by the Ombudsman and to ensure that the workings of the actual means test are open to public scrutiny. The process must be transparent and accountable—certainly the Democrats will seek to ensure that this is so.

We will also be moving a series of amendments to ensure that the youth allowance is fair and reasonable and that no young person or their family is disadvantaged, to use the no disadvantage test used by the government, as a result of the passage of this bill. We will not be supporting a bill that does allow these families or young people or students to be disadvantaged.

My colleagues Senator Woodley, Senator Allison and Senator Bartlett will also contribute to this debate. They will refer to assets testing in relation to the impact on the VET and school sector and, of course, in relation to the two-year waiting period for migrants. I echo the previous comments by speakers in this debate regarding the consequential legislation, and I am sure we will deal with that at a later stage.

A further concern with this bill has been the process by which the common youth allowance has been introduced and debated. There was a restricted time frame for the Senate committee which looked at the implications of this bill. That is something a lot of community and advocacy groups have complained about. The lack of notice—less than two weeks notice to peak bodies in the student and youth sector to present submissions to the community affairs committee—demonstrates in some respects that there is no commitment to consultation. Many questions remain regarding how the common youth allowance will fit into the proposed Austudy payment scheme for students over 25, the future of the supplement loan scheme, and why students over the age of 25 will not be entitled to rent assistance. They are a few of our residual concerns.

We believe that this bill has the potential to split families, not to keep them together for longer. I think stripping the benefits from the 16- and 17-year-olds is going to be one of the harshest measures proposed, and perhaps introduced, by this government. We believe that this government has not only failed to look into the role of benefits and income support in this community but also has totally misread community feeling on this and also the social and economic pressures on young

people, on students and on their families today. (*Time expired*)

Senator CROWLEY (South Australia) (6.20 p.m.)—I rise to speak to the Social Security Legislation Amendment (Youth Allowance) Bill 1997. In the time available, I just want to pick up on a couple of points. One of the issues that my colleagues opposite, the coalition, used to abuse the Labor government for was the suggestion that we were encouraging people to stay at school past the compulsory time because we were just interested in getting unemployment numbers down. I am not sure whether this bill is actually a de facto understanding that they were wrong then and that they have changed their view and see the virtue of encouraging people to stay at school. Certainly, if that is the case, you will not find a fight with me.

I cannot speak too highly of the importance of an education for children at any time, but in particular at the end of the 20th century. With regard to the prospects for managing the rest of your life, however that is—whether it is in employment, in creative alternatives, in the field of arts, even in managing relationships, in getting on with each other, in being, if you like, participants in a civilised society—education is a very critical and necessary contribution. So I am pleased that the government actually now sees the need to encourage people to stay at school and get an education, but the way they are doing it in this legislation is ham-fisted and very unfair.

In particular, the problem for me is that the people who will be so-called encouraged—that is, the 16- and 17-year-olds, and I believe more accurately will be ‘compelled’—to return to education are precisely those people who are doing it tough, who are behind the eight ball, who have left school for a variety of reasons that are invariably not easily altered. If you are homeless, if you are a victim of family abuse, if you have suffered all sorts of trials in your own home, if you have left that family, if you do not count on their support, if you are trying to manage, finding yourself being compelled to go back to school or lose out on your payment is to completely miss the point of the needs of this cohort of students. The students who are staying on are

either those who want to complete year 12 with a view of tertiary education or those who are more than able to cope with the requirements of being in school.

The evidence is very strong that the very people who would be looking for the common youth allowance who are 16 or 17 are the very people who are going to be most disadvantaged. So I find with that emphasis, this government has got it very wrong on behalf of the people who most need that kind of assistance. If you are 16 or 17, you are not in education, you have left school without finishing year 12 and you do not have an exemption as required, then you will not qualify for an income support payment. As a result of that, you will not qualify for any education program, labour market assistance or any other program which might assist your transition from school to the work force.

As I said, a number of witnesses gave evidence to the Senate committee that these are the people who are victims of homelessness, family violence or abuse and that, in particular, there is a shortage of education places for these students. The Department of Employment, Education, Training and Youth Affairs, as Senator Stott Despoja said, has assessed that some 20,000-plus students will be encouraged back into school, if not compelled back into school, but there is no funding to assist the schools to cope with that.

The committee that I chair—the Senate Employment, Education and Training References Committee—is just concluding its examination on the status of teachers. We have already looked at private funding for public schools and we are very aware of the challenges for schools to try to cover the costs currently in front of them. But to pick up the cost of these extra students is going to be a tremendous demand and, if the finances are not there, it is going to be hard to expect the sympathy, understanding and recognition that is required in schools for so many students who, almost by definition, do not want to be there.

I do not think the point of the harshness of this change can be hammered home hard enough. While there is a sensitivity to amalgamate payments—and I am certainly one

who would appreciate simplification of social security payments—there is no sympathy for what this is going to do for those kids who are 16 and 17.

The other point is this: what happens if you are between 18 and 20 and you cannot establish that you are independent? The definitions of independence are particularly interesting. I find it curious in our country that, if you are 18, you can vote, you can carry a gun and you can authorise your own surgery, but you will not be eligible for any youth allowance payment unless you can prove some definition of independence. In particular, the most harsh definition is that you have to have been working full time for 18 months out of two years. That is a real challenge. So many of the people who have left school at 15 and have got into the work force—if they are lucky enough to have done that—are most likely to be in casual or part-time employment, not full-time employment, and are most likely to be sacked the minute they have their 18th birthday. They are highly likely to be a population with poor work experience and piecemeal work experience and of casual or part-time employment.

The definition of independence under this area of the legislation is particularly harsh—especially since, as I said, so many of those young people find that, once they turn 18, they are moved out of employment. They are an expense at that stage so off they go. If you do not believe this is true, just check out what is happening, for example, in the supermarkets of Australia. The youngsters get the jobs but, once they are 18, very few of them can stay on. That definition of independence is going to be particularly hard for this group of people.

I was a bit interested to find that Minister Newman, who is such a strong supporter of the family, was happy to include in the definition of independence people who have been in a de facto relationship for two years. I am not unhappy if that is the case and these people are allowed to have some kind of support, but it does seem contrary to many of the other things I have heard her say on a number of occasions.

For so many people in this country, once you are 18, once you have been in the work force for a while and certainly once you are out of school, you are no longer a youngster. You are no longer expecting to be at home and one of the kids for mum and dad. This definition of independence is a very harsh ruling. If your family income is somewhere over \$23,000, the payment starts to fall, but we are not talking about people who are in clover in that case. Yes, if people have got a very high income, there might be a different case for the testing. But your income testing, parental testing and assets and means testing cuts in at a pretty low income. It certainly seems to me to be pushing very hard the increased responsibility for those families to look after children who really are no longer called children. Very few people in this country aged 18 to 20 are seen as being dependent on their families in the way that children under 18 might be.

Again, I would suggest that this bill's intention seems to be mainly to simplify the payments, but it has got it very wrong in terms of the hardship that will be provided to two most important groups of young people. I have not got time to talk further about the implications for Austudy. In those cases, as this government has said, you will have to be 25 before you can be eligible for independent assistance.

The evidence before the Senate committee made it very clear that this legislation is going to have a very injurious effect on those youngsters most likely to be at disadvantage and least likely to be able to cope without the sort of assistance that previously was available to them. I do believe that you have got it wrong, Minister. The policy and intentions for simplifying payments are right; the implications for caring for people who are behind the eight ball are very wrong.

Sitting suspended from 6.30 p.m. to 7.30 p.m.

Senator MARGETTS (Western Australia) (7.30 p.m.)—Late last year I was surprised and concerned when a bundle of glossy youth allowance brochures arrived at my office for distribution to young people inquiring about income support. Quite aside from the fact that

I knew the youth allowance had not yet been debated in the Senate, I was most alarmed by the misleading content contained within the brochure. Many young people pass through our offices on a daily basis and our staff attempt to assist them in whatever way possible—but to distribute these youth allowance brochures to young people and students presents a real problem for us.

You see, the Greens (WA) believe young people have the right to be fully informed about federal policies which affect their lives, not to be deliberately misinformed when the government is attempting to rationalise income support payments to the long-term detriment of both young people and the broader Australian society.

One of the first claims that the brochure makes is that the youth allowance will make income support arrangements 'simpler and more flexible.' Let us just examine that statement to the youth of Australia by looking at the actual detail of this bill. For a person to receive youth allowance they must:

satisfy the activity test (s.541)

OR

be exempt from the activity test (s.542)

AND

be of Youth Allowance age (s.543)

AND

satisfy Youth Allowance Activity Agreements (YAAA) (s.544)

AND

satisfy residency requirements (s.545)

AND

have passed the provisional commencement date (s.548)

AND

have assessed whether they are subject to a waiting period (s.549)

AND

have assessed whether they are subject to an activity test (breach) non-payment period (s.550)

AND

have assessed whether they are subject to an administrative exclusion (s.551)

AND

have assessed whether they are subject to an alternative support exclusion (s.552)

AND
 have assessed whether they are subject to an employment related exclusion (s.553)
 AND
 have made a proper claim (s.554)
 AND
 have had a claim determination (s.555)
 SUBJECT TO
 the youth allowance rate calculator (s.556 and Schedule 2—s.1067)
 WHICH INCLUDES
 restrictive definitions of independence (s.1067A-C)
 INCLUDING
 restrictive definitions of youth allowance couples
 AND
 restrictive definitions of a person required to live away from home (1067D)
 AND
 definitions of a long-term income support student (1067F)
 AND
 rules and tables for determining the maximum basic rate (Module B)
 AND
 rules and tables for determining the additional pharmaceutical allowance (Module C)
 AND
 rules and tables for determining the additional rent allowance (Module D)
 AND
 rules for determining the assets test (Module E)
 AND (IF THE PERSON IS NOT INDEPENDENT)
 the rate of reduction in benefit due to the effect of their parents income (Module F)
 including
 an actual means test of family income (Module G)
 AND (FOR ALL YA RECIPIENTS)
 a personal income test (Module H)
 AND (FOR FULL TIME STUDENTS ONLY)
 a "student income bank" (Module J)
 AND (FOR SOME YA RECIPIENTS)
 an additional remote area allowance (Module K)
 AND
 an additional payment for work for the dole participants (556A)
 FURTHER SUBJECT TO:
 any activity test breach rate reduction (s.557)
 AND

any administrative breach rate reduction (s.558)
 AND
 certain other obligations of the recipient (s.561)
 AND
 methods of payments provisions (s.559)
 AND
 continuation, variation and termination provisions (ss.562-566)
 AND
 legislative protection for the inalienability of the YA (s.560)
 WITH THE POSSIBILITY OF:
 a bereavement payment on the death of a partner (s.567). . .
 This analysis of the youth allowance legislation did not seem 'simpler and more flexible' at all. In fact, the only flexibility seems to be that which provides departmental officials with the ability to devise oppressive guidelines. There will be far less flexibility for those many young people who will be forced to live at home, or for those who will be drafted into work for the dole programs, or for those forced to submit to youth allowance activity agreements. It belies the government's attitude to young people which says, 'Let's provide flexibility for methods of control and let's remove flexibility for the young people themselves.'
 Another of the statements in the glossy brochure was that the youth allowance would result in a 'better and fairer system by applying these same rules to all young people.' Anyone who examines this bill in detail will soon realise that this is an out-and-out fabrication. The plain and simple fact is that rules are not the same for everyone under the youth allowance. If you are under 18, you will have to be in full-time education and training. There is no provision for case management. If you are between 18 and 20, you may receive case management but be subject to a parental means test. If you are over 21, you will not be subject to a parental means test, unless of course you are a full-time student, in which case you will be dependent on your parents' income until you are 25. This is not the 'same rules for all young people.' The government is misleading the youth of Australia. I would think that if this were a company they might be subject to the Trade

Practices Act under false and misleading conduct.

As a number of youth organisations have pointed out, such proposals are also totally inconsistent with other areas of government policy. For the purposes of taxation and other social security payments, the government deems that young people cease to be financially dependent at 16. Yet with this legislation it is imposing financial dependency on the unemployed until 21 and on students until they are 25. In other words, this government's definition of dependency differs by up to nine years, depending on whichever cost-cutting measure it is attempting to inflict on Australia's youth and their families. Of course, this inconsistency and inequity is not confined to the age of independence. Once again, we are dealing with the so-called reforms to student and youth assistance, which provide for different definitions of 'marriage-like relationships', according to the government's budgetary agenda.

So we have the ludicrous situation under this legislation that a person who is 22 years old and has been classed as living in a marriage-like relationship while receiving newstart allowance will be told by this government that they are no longer living in a marriage-like relationship as soon as they begin full-time study and are consequently transferred to youth allowance. Such couples who have been sharing a house for a considerable period of time and who will have been recognised as *de facto* by the government from the very beginning of their relationship if they have received any other kind of social security payment, will be informed that, under youth allowance, their relationship no longer exists and that they are now children dependent on parental support.

How absolutely ridiculous. No wonder young people view law-makers in this country with such derision. After all, we are effectively removing the basic human right of consenting adults to live in a relationship independent of their families. While this may be John Howard's vision for Australian society—a return to 1950s values and conventions—it is at complete odds with the reality for young people in today's society.

Of course, there are many other inconsistencies which will come out in the course of this debate. Some of these will become apparent when we compare this bill with the consequential bill which we received only late last week. For example, a major part of the government's pea and thimble trick with this legislation is the provision of rent assistance for students. It is a blatant attempt to play off one group of young people against another. In order for the government to pursue its ideological agenda of forcing many 18- to 20-year-old adults back into the family home, it is waving the carrot of rent assistance for students.

Yet even this promise is a false one for many students. Under the consequential legislation, those students who begin their full-time studies after turning 25 will not receive rent assistance. The government bleats about having a genuine desire to provide students with rent assistance, saying, 'This can only be financed by removing the independence of 18- to 20-year-olds,' yet it seems that this principle does not extend to students who happen to start studying after 25.

This is a real disincentive to study which will impact on low socioeconomic groups, and on women in particular. It is a piecemeal approach at its very worst; the kind of ill-considered policy which produces incredible anomalies, not the least being that if you enrol the day before your 25th birthday, you will be entitled to rent assistance, but if you enrol the day after your 25th birthday, you will not. But then this legislation is not about good social or educational policy. It is about saving money and attacking easy scapegoats—the young and the unemployed. I guess it is a break from attacking migrants, refugees and Aboriginal people.

Before I indicate some of the key problems with this bill, I would like to make it clear that the idea of a common youth allowance is fairly sensible. However, as usual, this government has taken a basically sound proposal, mangled it through its Treasury and policy wings, and finally produced something which is impossible to support. The government has ostensibly set out to remove disincentives to study by consolidating payments

for young people, but instead of seeking to provide better assistance it has effectively consolidated existing provisions at the lowest common denominator.

As the Australian Youth Policy and Action Coalition pointed out in its submission to the cursory Senate Community Affairs Legislation Committee hearings on this bill, young people currently leave their studies because Austudy is inadequate to live on—not that newstart allowance is in any way generous. Yet this major impediment to study, the miserably low level of assistance for students, is entrenched in this bill and inflicted on young job seekers as well.

If the government was serious about removing disincentives to study, it would have raised the level of Austudy to that of the newstart allowance, not reduced the level of and accessibility to payments for young unemployed to that of Austudy. If the government really wanted simplicity, it might pursue legislation to provide one payment to all those over 16, with parental income testing for full-time students up to 21 and comprehensive partner income testing for all. This is the way to provide fairness and simplicity, but it has been ignored because the government's agenda with this legislation is more about cost cutting than about addressing the needs of Australian youth.

Don't you remember the bleating from the coalition when the Working Nation statement came out from the former government? Why were they bleating? They were bleating because the labour market programs that Labor said they were providing would actually interfere with the statistics on long-term unemployed and youth unemployed. Guess what? If you cannot apply for unemployment benefit if you are young and if you either have to be in work or at school, what will that artificially do to the rates of unemployment? It will simply make them disappear. So basically those people will have to disappear, I guess, or find some other means of survival. Isn't that going to be good for employment figures?

Income support rates for independent young people should be commensurate with adult levels to reflect the plain, indisputable reality

that the cost of living for a 19-year-old is the same as for anyone over 21. There are no youth concessions on rent, food or petrol. In fact, there is often a surcharge for youth—insurance premiums being a prime example. Yet young people, who are treated as adults under the law, are being discriminated against on the basis of age when it comes to income support. It is astonishingly unfair. It is reflected in the disdain that young people have towards the government of this country and the politicians who control it.

The Greens (WA) support commonality between income support allowances, but we utterly reject such a project when all it seeks to achieve is to bring everyone's assistance down to the lowest possible level. Key problems with this bill include the age of independence, the definition of youth allowance couples, the lack of case management options for those under 18, the appalling low parental income free area, the possibility that full-time students may be subject to activity agreements, the absence of a general concession for a full-time load for students, the disturbing amount of discretionary power granted to the department's secretary, and the absence from the legislation of much of the detail of the proposed changes.

This last point is a major concern. So much of the detail on how the youth allowance will work is contained in guidelines and regulations which senators have not had the opportunity to consider in their completed form. To proceed with debate on such an important issue without the administrative detail is an insult to both democracy and the young of this country. I will expand on just two of these problems in this address to the chamber. They are the removal of unemployment assistance for those under 18 and the parental means testing of 18- to 20-year-old unemployed people.

The Greens (WA) agree that it is entirely reasonable for young people under the age of 18 to choose from a wide range of education, training and/or employment programs in order to receive income support from the government. Indeed, we support this principle for those of any age receiving income support. We would also agree that those under 18

should be encouraged to take part in educational endeavours, including completing year 12, but such a requirement must be contingent on the government providing a viable set of alternatives for these young people, especially those who are unlikely to benefit from formal schooling.

In considering the options for young people, let us not forget the government's savage cuts to vocational education and training in the last two budgets. At the very least, this legislation should not pass the Senate without providing that case management is an alternative option for 16- and 17-year-olds who cannot participate in formal education or training. It must be accepted that students often fail at educational institutions because the institutions have grossly failed them.

Let us not abandon these young people. Let us not kick them out into the streets into a cycle of depression and hopelessness. Let us not penalise the families who need that income support to put food on the table. Let us not increase the risk of youth suicide or substance abuse. Let us keep these young people within the community, actively pursuing activities towards constructive employment which prevent them from becoming marginalised and disenfranchised. Let us not have a debate in the future where you point the finger at young people and say, 'They do not have respect for authority. They just aren't grateful, so let's get back to the birch and hanging and so on.' That is what we will see in a couple of years if we are not careful.

It is an insult to their intelligence to tell 18- to 20-year-old unemployed people that parental means testing of their unemployment income support is an 'equity measure'. As AYPAC pointed out, governments of all persuasions have justified applying the means test to students by claiming that students self-impose dependency when they undertake full-time study. We dispute that education is a privilege of this kind. Rather, we see it as a fundamental right of all people in Australian society. However, even using this government's flawed logic, one cannot possibly characterise youth unemployment as self-imposed when it is running at 25 to 50 per cent in most Australian communities—or

perhaps it is just a figment of the imagination, both ours and theirs.

Such a proposal assumes that low to middle income families which will fail the parental means test are not only able to support their 18- to 20-year-old adult children who may or may not be living at home, but that they are willing to support these young adults, who may well lead completely independent lives from their families. As reported in the National Youth Affairs Research Scheme paper 'What price independence?', Robyn Hartley found that many young adults who live at home are expected to contribute to the household income and not be an additional burden upon the budgets of low income families.

I do not believe that the government is so foolish that it cannot recognise that setting the age of independence at 25 years for students is a structural hindrance for people wishing to commit to full-time study; nor that it is so ignorant that it cannot foresee that setting the age of independence for young unemployed at 21 will place tremendous financial and emotional hardship on many of Australia's battling families; nor that it is not aware of the long-term problems of removing employment assistance from those under 18. The fact that the government is not just foolishly ignorant—that it is rushing through grossly unfair changes with both eyes open—makes this legislation all the more despicable.

I will be listening with interest to the committee stage of the debate, but I think it is grossly unfair that we have not had more time to look at the other bill associated with this. It is realistic to consider that there will be careful consideration by the government and that it will listen to the community and to the young people of Australia—not about what they know now but about what they will know if this bill goes through. The government should listen to them and to the future of Australia, rather than just listening to a very narrow interest group in terms of a particular budgetary pursuit.

Senator NEWMAN (Tasmania—Minister for Social Security) (7.49 p.m.)—I table the corrigendum to the explanatory memorandum relating to the Social Security Legislation Amendment (Youth Allowance) Bill 1997. I

thank senators for their contribution to the debate. While I value the interest that they have shown in the bill, I listened with some disappointment to their contributions. It reminds me of the comment that was made in the estimates committee when I suggested that we had something very important here which was going to be very beneficial to young people in Australia. I was told that other senators' contributions had to focus on anything that they saw as negative.

We have heard examples of that in today's debate, I am afraid. The items that have been picked out for criticism by senators have almost totally ignored the enormous value of this major social policy reform. I would have thought all senators who understand what a disadvantage it is in life to start out looking for work without a skill to offer would have acclaimed the opportunity that is intended to come from this measure to help young people have a better start in life. I did not hear much of that in the debate. I am rather sad about that.

This bill provides a new and a better way of helping the young people of Australia. It is not a savings measure. It has been done as important social policy reform. It was announced in the budget in 1996 after the previous government had been urged by welfare organisations and parents around this country to introduce something similar. That government had not got around to doing it. I have been heartened by the response of organisations which look after young people and their families which have realised that some of these measures are going to be extraordinarily important in the future. We have inherited a mess of confusing payments.

Senator Margetts—Which ones?

Senator NEWMAN—I am happy to give you one example straight away that I was about to move to. Confusion occurred when young people tried to access their entitlements, when five payments were paid by two different departments and were paid at 13 different rates. Even then, young people could slip through the cracks and be entitled to no support at all. That is the situation now.

If as a student you get sick with glandular fever, for example—which sadly is not at all

unusual with young people studying—and you must take a smaller academic load, then you are precluded from getting Austudy, you are not able to look for full-time work, and you are precluded from getting unemployment assistance. So students with such illnesses are not helped at all. Under the new arrangements, your circumstances can change from full-time study to part-time training and part-time jobsearch—a mixture of those things—and you will not have to reapply or find that you are not eligible for any support. I would have thought that Senator Margetts would have welcomed that; I certainly think it is one of the important outcomes of this proposal.

Labor had a system where you could get \$75 a fortnight more for being on the dole than for being at TAFE. Senator Margetts, don't you think that is iniquitous? I do. Fancy saying to the young people of Australia, 'Go on the dole and we'll give you \$75 more than if you were a student.' What does that say about the way we as a country value education?

Senator Lundy—It is elitist.

Senator NEWMAN—Senator Lundy, I am talking about education that has produced tradesmen, some of whom are on the other side of this chamber and some of whom are on this side of the chamber. Under your government, this country has been producing a secondary education system designed for the 30 per cent of students who go on to university. We are still focusing on those students but we are now also focusing on the other 70 per cent who have been neglected under your arrangements.

Vocational education—whether it occurs in the schools, in the workplace or in the TAFE colleges—is badly needed in Australia and young people are vitally affected when they cannot access that sort of education. I am not talking about eggheads; I am not talking about locking people up in school; I am talking about giving young people access to badly needed skills acquisition. That is what will come from this legislation.

Senator Margetts—So what have you done to TAFE?

Senator NEWMAN—I do not think we have heard any words from the opposition acknowledging the faults in their system. They did not listen when they were in government and they are not listening now. If they had listened and were willing to be honest, they would say that this government has fixed up Labor's mess.

Young people now will need to be on only one payment instead of trying to access that web of payments and still falling in between them. Students who have to leave home to study will get rent assistance for the very first time. I have been amazed how people have been very ready to wave that aside as if it counts for nothing. Do you realise you are talking about up to \$75 a fortnight more, about pharmaceutical allowance as well and about a remote area allowance for those in the appropriate circumstances? How easily you dismiss all that. How wrong it has been that young unemployed people have had access to that allowance while students have not. We are bringing the students up to the same level. Is that unfair? Is it unfair to anybody? I think not. I cannot understand how you could possibly be criticising it.

I was especially disappointed—and I am sad she is not in the chamber now—to hear Senator Denman earlier because she was talking about young people in north-western Tasmania being losers from the youth allowance. Senator Denman, I guess, knows that I used to farm in the north-west of Tasmania so I know the area very well; I know the people very well. One of the things that senators should recognise is that participation in further education is lower in that area of Tasmania than anywhere else. That is partly because many parents there have not had further education themselves. Only now are some of them starting to access further education, which I welcome and am very glad about.

But, at the same time, that region of Tasmania has the highest level of youth unemployment. It is desperately important that we help those young people to get jobs. While the young people are jumping out of school early—perhaps because their families have not had the value of tertiary education of any

kind themselves—they do not understand what they are being condemned to by leaving school without any saleable skills. They do not understand how they are condemning themselves—or the parents are condemning their children—to long periods of unemployment. Young people are 2½ to three times as likely to be long-term unemployed if they do not have those saleable skills.

The reality is that right around the developed world—and I am sure Senator Cook would recognise this too—unskilled jobs are disappearing. They are ending up in the underdeveloped nations in the world while, throughout countries like Australia, they have been disappearing for some time. If we as a nation can sit by and not help our young people to recognise the need for skills acquisition and not help them to access those skills we are doing them a terrible disservice. The jobs that are coming in the future are in areas of new technology and in the service industries, and young people need training in both those areas.

Tasmania, for instance, has a growing tourism industry particularly because of the vehicle rebate scheme that this government introduced as part of its Tasmania package, which has already brought considerable benefits to the tourism industry. That industry is where there are massive numbers of jobs in Australia for young people. That is the area that we must ensure young people are aware of and get access to.

We are saying that our young people should finish secondary school or the equivalent. We are not saying they need to be locked up in school, as some would suggest, and I think parents around Australia would endorse that. But some members of the opposition in this place have said that young people should be able to drop out if they want to. All too sadly, some people have been dropping out before they have even reached the age of 16. There are lots of adults in Australia who worry at the truancy rates that we are seeing in our country. We should be able to help our young people into schools—if that is where their interest lies—or into traineeships, apprenticeships or TAFEs.

There are a number of exemptions in this legislation which will cover all those cases where it is appropriate that a young person not be in further education or training. If they are homeless, if they are sick, if they cannot access a training place or if they have some other good reason, then we will exempt them. But no longer will a young Australian be able to say, 'I don't want to go to school,' and then walk into Centrelink for the dole. Labor's system sent out all the wrong signals to young people: drop out of school and go on the dole rather than go to TAFE. But we are saying that young people should stay in education—not necessarily to be an egg-head—and get skills so that they will get a much better start in life and their job prospects will be significantly better.

The education system will be ready to receive them. We are spending \$42.6 million over three years through programs, such as students at risk and jobs pathway, and new apprenticeships. Schools will be paid more for each child enrolled. Senator Denman obviously did not realise that we have deferred the requirement for the under 18s to be in education for six months until 1 January next to give institutions a more reasonable lead time to make the transition.

I wanted to draw the attention of senators to the moves by the new Labour government in Britain. Senator Crowley was making some gratuitous comments about ham-fisted approaches in this area of 16- and 17-year-olds. Mr Blair is, in fact, introducing just such an arrangement for 16- and 17-year-olds in the United Kingdom, recognising full well that it is no good saying to a young person that you can be unemployed as a choice. You need skills if you are going to get on in life. It is amazing that we could have criticism like that here when people hold up the new Blair government in Britain and say, 'They are doing great things.' They are doing what we are doing, and you had better understand it, Senator.

There are a lot of other issues which we will address as we go along, but I do want to point out to senators that Senator Crowley, for instance, was giving a great deal of attention to young people whom she expects will leave

school and will drop out altogether—the under 18s. I want to make it clearly understood that we are talking about the young people who are currently on youth training allowance. Currently, that is something like 32,000 young people.

We believe we have thousands of young people who will be exempted from full-time educational training on the grounds that they are homeless, sick or have caring responsibilities; that there are no appropriate places available; that they have left employment; or for some other reason. Something like 11,900 would be returning to school. We believe there would be something like only 1,600 young people out of all that cohort, that age group, who would choose to not return to school or stay in education and training and either get a job or are supported totally by their family. I think that is a recognition of what this is actually going to mean in practice. Parents will say, 'You need to go and get those skills for your own sake. If you do not, there will be no financial support for this family.' I think young people will be encouraged by their parents to act in their own interests.

Senator Margetts—Poverty is an incentive, isn't it?

Senator NEWMAN—No, it is not a question of poverty, Senator. I think you obviously do not have a very great understanding of the means tests as they currently operate under Austudy and as they will operate under the youth allowance. In fact, they will be more generous under the youth allowance than they have been under Austudy. So I think there has been some misrepresentation about that.

I will not address the question of age of independence of students tonight. I think that is a debate we are clearly going to have later. I think the point is that arguing that all young people at the age of 18 are independent is simplistic. If you look at real families, they slowly move out of dependence through their late teens and their early 20s. They may be legally adults at 18, but they are mostly financially dependent, either on their parents or on the taxpayer. So they are financially

dependent from the point of view of being raised.

So our independence ages are 21 for the unemployed and 25 for students. It is to those ages that young people should first look to their parents for support. As with anything else under the Social Security Act, people are not expected to go straight to the taxpayer for support to the extent that they or their families can support them. They should first go to their families for assistance. Of course, if parents are on low income or the youth is independent, the taxpayer will then step into the parents' shoes.

There were some comments made about consultation, and I would like to knock that on the head pretty early on. There were submissions asked for in the budget in August 1996. Senator Vanstone and I asked parents and organisations around Australia to make submissions, to consult with us, because we announced the general principles of a youth allowance we were trying to achieve. We had a lot of consultation. It was very productive, very valuable. I thank those who took part.

That was in August 1996. In June 1997, a package was developed and in September 1997, a bill was produced for senators and members to study. In November 1997, the committee met. It is now some months later. People do not have any reason for suggesting that there has not been extensive consultation, that there have not been extensive opportunities for senators to study the legislation. After all, it was debated in the House of Representatives last year. So I think some of the arguments that I have heard here today are specious. Perhaps people should look more carefully at what the true situation is.

This is a major reform, as I said at the beginning, and it does bring order to the mess we inherited from Labor in this area. The key issues are clear: the ages of independence; the need for young people to stay in skills acquisition if they are to find real jobs; and the thrust of the independence rules. I am optimistic that the Senate is going to support this because, despite the sound and fury, I believe in your heart of hearts, Senators, you understand how important this is to the young people of Australia, to the future of our

country, that we do not have a pool of young unemployed without skills, without hope, and very little chance of getting good long-term and interesting jobs. That is what we have inherited. We are trying to do something about it. I would have thought we would have had commendation for that and a willingness to work constructively to achieve good outcomes for young Australians.

Question resolved in the affirmative.

Bill read a second time.

Ordered that consideration of the bill in the Committee of the Whole be made an order of the day for a later hour of the day.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Natural Heritage Trust

Senator HILL (South Australia—Minister for the Environment) (8.07 p.m.)—by leave—As a result of question time and an invitation thereafter by Senator Ray to confirm my level of knowledge of the Woodhouse Pastoral Company, I caused further inquiries to be made. The brief to me for approval contained only Woodhouse Pastoral Company as the proprietor and no mention of any Baillieu. The brief did not include the original application form or any third party supplementary material. Neither my office nor the department can find any other information that was provided to me regarding the proponent.

After question time I asked my department for the original application and any supporting material. I table the application in the name of the Woodhouse Pastoral Company. The seventh page, however, requires the printed name of representatives and stated there is the name Mr Antony Baillieu as owner. The Trust for Nature, Victoria, supported the application and I table the supporting documents. On the sixth page of this material there is reference to the owner being Woodhouse Pastoral Company, but the contact being Antony Baillieu (owner).

I sought clarification from my officers in the light of my question time brief prepared by my department which I read into the record. I read that 'officers of my department did not know who owned this company at the

time of assessing the project'. Both the team leader for Victoria and the Assistant Secretary of Sustainable Landscapes, who dealt with the matter, state that they had not noticed the reference to Antony Baillieu. They had concentrated on the quality of the project and the name of the applicant, Woodhouse Pastoral Company. They had not addressed the issue of ownership of the company. Their interest was the assessment of the environmental merit of the project.

I think that advice is consistent with that they said at the estimates. As I have indicated, they strongly supported the project on its merits. I do not otherwise know of the Woodhouse Pastoral Company. I do not know Antony Baillieu and, obviously, I therefore do not know his relatives.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (8.09 p.m.)—by leave—I do appreciate the fact that Senator Hill has come down to the chamber to ensure the record is as accurate as possible. I have no doubt that the documents that Senator Hill has tabled will indicate that the name Mr Antony Baillieu is on the application forms. I have got no doubt that Senator Hill has provided previous advice to the Senate in good faith in relation to that specific matter.

The point that the opposition has been making, however, is this—and it needs to be said again—because of intervention from Senator Hill's own staff, three projects in the state of Victoria which had previously either been not considered or rejected by the regional assessment panel in Victoria were, apparently along with a whole range of other projects, reassessed. Senator Hill's own staff instructed officers of Environment Australia to have another look at these projects.

What followed was that three projects were then approved. At the estimates committee last week we were able to establish that one of those projects was this particular project from the Woodhouse Pastoral Company and we know that the Woodhouse Pastoral Company is controlled by the Baillieu family. I think Senator Hill has provided some further evidence tonight to suggest that that is the case.

We know that the Baillieu family is probably the heaviest political family in the Victorian division of the Liberal Party. We ask these questions as to why that particular proposal has come forward and been approved. It is a grant for \$52,900 to fence off 250 hectares of property owned by the Baillieu family. That is what it is going to do. It is going to fence off a very significant area off—

Senator Hill—It has conservation values.

Senator FAULKNER—Senator Hill interjects that it has got conservation values.

Senator Hill—Very significant conservation values.

Senator FAULKNER—They may be very significant conservation values, Senator Hill. You owe the Senate and the people of Australia an explanation as to why a member of your staff got on the telephone to Environment Australia officers and got these projects reassessed. You owe the people of Australia and senators an explanation as to why, after your staff had got on the telephone to Environment Australia and got these projects reassessed, this particular project—which has this involvement of the Baillieu family and all the Liberal Party paw prints and fingerprints all over it—comes through. You owe this Senate an explanation as to why that is the case.

Senator Hill—You will not listen.

Senator FAULKNER—I thank Senator Hill for bringing forward this information. I appreciate your correcting the record, Senator Hill.

Senator Hill—Clarifying it.

Senator FAULKNER—Or clarifying it. I accept that you have done that as soon as that information has become available to you. I am not being critical of you in the conduct of your ministerial duties in that regard. You have done the right thing. You have come and clarified it as soon as that has been drawn to your attention.

So be clear: the opposition is not criticising Senator Hill for that, but we want answers to these questions as to why Senator Hill's office got this reassessment process going for pro-

jects that the regional assessment panel had excluded in the first round. These did not go anywhere near the state assessment panel. These projects were excluded in the first round. Senator Hill's office got them reassessed.

We want to know why we have this extraordinary coincidence of only three projects being approved as a result of the instructions of Senator Hill's office—we had better have a look at the other two, I think; it is probably just cover—and why this particular project was approved. They are some of the questions in relation to this issue that Senator Hill has not yet answered.

Senator Hill—That's not true.

Senator FAULKNER—It is true, Senator Hill. The opposition will continue to demand answers from you. I am afraid, Senator Hill, what we now know—

Senator Hill—Whatever the facts are, you won't listen.

Senator FAULKNER—It is not an issue. Senator Hill, we know what the facts are; that is, that your office interfered. What we want to know is why your office interfered. We want to know why we have the extraordinary circumstance that, as a result of the interference of your office—and we want to know what your involvement was—this Liberal Party fix occurred.

This will not go away. This is one of many hundreds of projects—and I hope for Senator Hill's sake that there are not a whole lot more. I said at the time the Natural Heritage Trust Fund Bill was being debated that this gave an opportunity for political rorting on a grand scale—political pork-barrelling on a grand scale. The more we know, the more we hear, the more we are able to extract out of you and the Department of the Environment, the more we know that this has been a rort.

We still want answers as to why 250 hectares of this property was fenced. I think the Senate and the people of Australia are entitled to some explanation and some justification for what I believe on the surface appears to be a most extraordinary abuse of government process and misuse of government and taxpayers' money.

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 1997-98

APPROPRIATION BILL (No. 3) 1997-98

APPROPRIATION BILL (No. 4) 1997-98

Second Reading

Debate resumed.

Senator COOK (Western Australia) (8.18 p.m)—The bills before the chamber now seek authority for additional appropriations of \$1.684 billion. They represent the new policy initiatives of the government since the 1997-98 budget and essential and unavoidable expenditures additional to that covered in the earlier appropriation acts.

The amount being sought is partially offset by savings of \$373 million which are no longer required under the amounts originally appropriated in the earlier appropriation acts. These proposals, therefore, represent a net increase in the appropriations of \$1.311 billion, around one per cent more than the estimated outlays at the time of the 1997-98 budget.

I should also note that these additional appropriation requests do not translate directly into a request for additional outlays of \$1.311 billion in the 1997-98 budget, with a consequent blow-out in the deficit. Some of the myriad of appropriations are actually classified as revenue—for example, the reimbursement of taxes paid by some diplomatic, consular and charitable bodies—and some are classified as below the line as financing transactions—for example, repayment of debt associated with Australian National Railways.

Nevertheless, these bills do represent additional spending in a number of respects. Fortunately, some of the additional spending does not represent a backdown on previous decisions. The additional \$34 million of legal aid is one such example. There is also a myriad of proposed additional appropriations which are being sought, some examples of which are: two separate appropriations totalling \$27.4 million for the Tasmanian regional forest agreement—that is, \$5.4 million and \$22 million respectively; \$11.2 million for the

Constitutional Convention election; \$96 million to the states as compensation for stamp duty arising from the sale of airports; \$111 million for various defence purposes; \$40 million for major asset sales; \$71 million for managing the surplus staff of the DAS business units—I guess that is redundancies; and \$2 million in ex gratia payments to retiring commissioners of the Australian Industrial Relations Commission, as the government rams through its policy to axe the IRC. Some of these are important bills, if merely routine, and they are supported by the opposition.

I make the point that senators should be aware that, whilst the ALP views the passage of these bills as automatic, those in the coalition do not. The infamy of 1975 and the threatened action in 1974, which contributed to the calling of the early 1974 election, arose because of a threat of the non-passage of appropriation and supply bills. The ALP believes that interference with these supply bills is dirty pool and opposes that action in principle. A government, even a government as bad as this government, is entitled to expect passage of its appropriation legislation. It is entitled to such treatment by this parliament because it is the government and hence commands the confidence in the other place. This is a fundamental principle for Labor, although it cannot be said to be a fundamental principle for the coalition.

The recent estimates hearings brought to light a number of important issues, such as the aborted Wik advertisements, the rorts involved in the Natural Heritage Trust Fund allocation scandal—a bit of which we have just heard a moment ago—and the dissembling by the government on tax reform and other matters. I would like to comment on some of the matters that have arisen in the Treasury portfolio from those estimates.

Firstly, there are the outrageous revelations concerning the selection of the former treasurer of South Australia, Mr Stephen Baker, by the Treasurer (Mr Costello) for a plumb overseas job with an international financial institution. Twenty-nine people applied; none were interviewed. All the documents were forwarded to the Treasurer's office. He per-

sonally made a selection without there being any objective criteria in front of him. None of the others were interviewed and Mr Baker got the job.

This is clearly a job for the boys 'fix' and it is not consistent with what the Prime Minister, Mr Howard, has said are this government's allegedly higher standards of public probity and openness when it comes to dealing with matters of major importance. This is not an isolated case. Last year we saw Senator Short go to the European Bank of Reconstruction after a dismal period as a failed Assistant Treasurer, and in similar circumstances—a jobs for the boys political appointment again. Mr Baker has gone to an office in Manila on a fixed three-year term at \$120,000 a year—no tax is paid on that appointment—and at a time in which the greatest financial crisis in living memory is gripping Asia. It is not an experienced bureaucrat who has filled this post, as is normal, but a political hack and one who is a friend of the Treasurer.

That is outrageous. It should be denounced by the government. It is being covered up by them and it is only flicked away by the Treasurer in his standard answer to reporters' questions that the best person got the job. If that is true and there is nothing to hide, then I enjoin the government to hide nothing. To make the process transparent, let us know the qualifications of the other people who did not make it to the final list for interview and let us see what the selection criteria were so that there can be an assessment of the objectivity. The fact that the government declines to do that supports, of course, the view that is the growing public perception that this is a government of rorts, protection of mates, elevation by virtue of political influence—and never mind the important functions of serious overseas posts to which this government should be appointing the most experienced people.

However, that is one element of the issues that arose from the estimates just last week. The one that I want to pay most attention to is the extraordinary and convoluted manoeuvres by this government on the subject of taxation. We often hear in this chamber

echoes of what the government alleges is its tax reform commitment. The use of the word 'reform' in this context is interesting. Reform, on my understanding of the word, connotes improvement over existing circumstances. Here, reform is being used to gloss over and lend a positive glow to secret proposals which are not available to the public and will not be until the eve of the next election campaign, in which the government intends to ram through a GST. Until the facts are on the table and people can judge, one can never be sure that the glossy word 'reform' that is being used here is in fact true.

Let us dispense with the cant. Let us call it what it is. These are government tax changes, not reform, and they are tax changes in which the Prime Minister, according to evidence adduced before the Senate hearing, has directed the Treasury to come up with options which relate only to a broad based indirect tax or, if one wants to be direct about it, a GST. No other options are to be canvassed. Only GST options are to be considered. Versions of how that might be delivered is what the work of this secret committee is about.

I use the word 'secret' committee because in evidence to estimates last year we heard that there are no records kept of this committee. There are no minutes kept for this committee. Those who make contributions to this committee cannot be sure that any document in which those contributions have been made still remains. The records and outcomes of this committee are kept within the head of one bureaucrat and the only people that information is shared with is a small group including the Treasurer and the Prime Minister, and no-one else.

I want to compare that to the last major time of tax reform in this nation. The most successful and far-reaching reform of the Australian taxation system in modern times was in 1985 under the Hawke-Keating government. In 1985 the Treasury, at the instigation of the then Treasurer, published several volumes of background and data for the Australian public in terms of the implications of taxation reform. All the numbers were there and various options were there.

One option, option C, was the option for a GST. The other options were options for other changes which would improve the tax system and give it the cachet that is essential for a tax system of simplicity, integrity and equity. Of course, that was in 1985. There was a widespread public debate, based on objective material, put into the public domain by the government to enable that debate to flow in a lucid and intelligent way.

What do we have here? We have a secret committee, secret submissions, no documentation, no basis of information for community discernment or investigation, and no options other than the single option of a GST. When are we going to hear about this so that we can make up our minds at our leisure, looking at this material? No, we are going to hear about it as an ambush on the eve of an election in which it will be rammed down the public's throat that this is the only way in which the taxation system can 'be reformed (sic)'.

In terms of process, the first substantive point I want to make is that this is not a process of openness. This is not a process of allowing the people to decide. This is a process of positioning and managing an opinion to run an election campaign in which your considered and predetermined view will get up and nothing else will occur. That is what is happening.

The cost of this shoddy and seamy exercise thus far in evidence is \$1.2 million. Obviously that is a cost that is expected to grow. I started these remarks by talking about so-called tax reform. It is interesting that in the Senate estimates committee we asked the Assistant Treasurer: is it true that a GST is a regressive tax? That is a technical definition of what a GST is. It is a regressive tax. It is regressive because it charges the same flat money amount to every individual that buys the commodity to which a GST is attached, irrespective of their level of income. That means that someone on a minimum wage pays the same cash amount as the wealthy Australians who are so often associated as friends of the Liberal Party. The same price irrespective of income equals regressive. We put to the Assistant Treasurer: is it true that a GST is a regressive tax? Sad to say, he

either did not know the answer to that question or he declined to answer.

The second substantive question I wish to ask in this debate is: how can tax reform be about imposing a regressive tax on the people of Australia and be regarded as equitable or fair? We are unable to tease that issue out in any great detail because the government declines, as I said earlier, to make available for public scrutiny the models that it is working on so they can be tested against public opinion and what is reasonable. What we do have, however, is a publication touted by the Treasurer as a publication which is supposed to shed some light on the nature of the Australian taxation system; that is, the Treasurer's booklet *The Australian taxation system—in need of reform*—his title, not ours.

It is a booklet that is supposed to catalogue the problems with the Australian taxation system. This is the sole, so far, public contribution to debate by this government. Is it anything about information, better understanding, insights into the numbers? No, it is not. Is it a catalogue of what is good about the Australian taxation system so one can have in context the bad with the good, a sort of balance sheet approach? No, it is not. It is simply a document meant to position public opinion for the inevitable GST outcome of what is bad about it. Even then, the 14,000 copies that are printed at the cost of \$10,000 to the public purse cannot get it right either. Let me give you an example. On page 2, in the introduction of this booklet, Mr Costello says:

Our taxation system is second rate and getting worse; it does not raise money fairly or efficiently.

It is second rate and getting worse. I asked the Assistant Treasurer and the Treasury staff who were attending upon him in the estimates committee would they please name under their lights a first-rate tax system in the world if ours was second-rate. What was the answer to that question? The answer was that there are no countries that fit the category of first-rate, but in some countries there are first-rate elements of their tax system and if you put all the first-rate elements together you come up with a first-rate system. First-rate therefore, to which Australia is allegedly second-rate, is a

conceptual ideal in the mind of Treasury boffins, not a realistic and practical tax system anywhere. That is the first point to be kept in mind.

The second point is: what is second-rate therefore about the Australian taxation system? Under fairly close questioning of the Treasury officials—and I now quote what they finally agreed to from page 92 of the *Hansard* of 25 February 1998—Treasury official Dr Ken Henry, the chairman of the secret task force, said:

I suspect that that sentence refers particularly to our indirect tax system.

... ..

In saying that our tax system is second rate, I suspect the dominant consideration behind that sentence is the state of our indirect tax system. We know that by those words from Dr Ken Henry the reference to second-rate is not the whole system; it is part of a system. And what part of a system is it? It is the indirect part of the system. What does the indirect part of the system constitute as part of the overall? Indirect taxes bring in just over 10 per cent of our total tax revenue. So the revenue base that brings in 10 per cent of our total tax revenue is what someone from Treasury believes is second-rate. By deduction it is clear that 90 per cent of our tax revenue, even by the professional critics, cannot be regarded thus.

I think it is fair to say that we have in terms of the progressivity of PAYE tax a reasonable system. I have to say immediately that everyone regards that the tax system is not good enough and everyone regards that the tax system should be changed and improved. But when you come to looking at the models about how you do it there is no agreement because everyone wants a better deal for themselves. At the end of the day you have to come to a fair model. When the government puts out a booklet, 14,000 copies spread hither and yon, as to what is wrong with the Australian tax system, we should know it is only the indirect part of the tax system they are talking about; it is not the whole system at all.

The biggest sham in this booklet is the statement by Mr Costello 'Ordinary Australians are now facing the prospect of paying the

highest possible income tax rate.' We asked him what is he talking about—the top marginal rate or the average rate of taxation? This is a very important concept. He is talking about the top marginal rate. If you earn \$50,000 in Australia you pay the top marginal rate of taxation in Australia—47 per cent. What is the average rate of tax you pay when you pay 47 per cent at the top marginal rate? You then only pay 28 per cent of your total income in tax.

The sham here is to pretend that if you are on \$50,000 you are going to pay 47 per cent in tax when you only pay 28 per cent in tax. We have a progressive system and it is the average tax rate that taxpayers pay that ought to be looked at, not the highest margin rate. This is explained in this document that for every extra dollar you earn you might pay 47c. What is not said is that even then you would only be paying 28 per cent of your income in tax. That is the sort of manipulative sham that this document represents.

Of course Treasury itself shoots the document down. It says in this document that sales tax is costly for business to comply with. The report from Treasury released on 24 February into taxpayer costs of compliance says that wholesale sales tax has 'relatively low compliance costs as a proportion of revenue generated'. That is the tax office compared to the political propaganda document of the Treasurer.

Let us get the basic facts right here. This document is a sham. It is a distortion of the public debate paid for by taxpayers to suit the purpose of positioning the argument for a GST. It has no objectivity. It is a disgrace. It does not represent what is reasonable or fair in putting the case. It does not put any side of the case, only that side of the case that the government wants to have before the public. (*Time expired*)

Senator BISHOP (Western Australia) (8.38 p.m.)—The appropriation bills presented to the chamber by the government this evening have a wide range of problems relating to them. Essentially, the appropriation bills and consequently the government lack direction in many key areas. The government has set no course for the nation. There appears to be no

real agenda from this government other than to cut away essential services like CES offices, Medicare offices and, through reduced state grants, schools and hospitals.

Primarily, there are two distinct direct issues of concern. Firstly, it is clear that the strategy of these appropriation bills is an attempt to reduce the budget deficit. While on the surface this appears to be defensible on the part of the government, the strategy is flawed because of its lack of commitment to providing real benefits to the economy and Australians as a result of this deficit reduction. To the community at large there appears to be no benefit from the stringent budget strategy adopted by the current government.

After two years, the Australian community is seeing no real benefits for themselves. This of course includes the business community. As the weekend *Financial Review* reported on Saturday, business confidence in the Prime Minister and his government has dropped seven per cent since January. In the poor job category, the Howard government has jumped six per cent. This is an indication that, after two years as Prime Minister, Australians are still unsure about Mr Howard's ability to govern. There is a large amount of concern with the overall direction of our economy. There appears to be no overall governmental strategy that is supportive of Australian families.

The second major concern is the budget's failure to deal with a number of critical and crucial policy areas. Those areas are employment growth, industry policy and trade policy. Importantly, the government has failed to provide an overall strategic approach towards management and integration of these three areas. This failure of the government to provide this required strategic approach is a reflection on the government's overriding ideology when it comes to budget and policy formulation. They believe there is no role for the government in the economy either as managers or as an organ that assists citizens towards participating in their economy.

This lack of government involvement is obvious in all areas of government policy. This is particularly true with regard to employment growth. The budget strategy has

been completely lacking in this area. This has resulted in little employment growth for older Australians caught in the long-term unemployment spiral and equally little hope in employment prospects for younger Australians. This lack of commitment to resolving the unemployment problem in Australia manifests itself in the low priority given by this government to education. Education for both our young people and older Australians seeking to be retrained is increasingly more difficult and more inaccessible. An increase in university and TAFE costs have made it difficult for those seeking to acquire new skills to gain access. These costs act as a significant disincentive to education and retraining for our unemployed.

Additionally, labour market programs have been significantly reduced almost to the point where they are non-existent, making it increasingly difficult for older Australians to retrain themselves. The government's lack of a strategic approach is, however, most obvious when it comes to industry policy. The appropriation bills do little to encourage and support Australian industry. Indeed, both the budget papers and the government's industry policy statement lack any cohesive, integrated and strategic plan by the government towards industry policy.

There is a complete ignorance on the government's behalf when it comes to understanding and implementing the role of government in the vital area of industry policy. The government's complete lack of vision and direction regarding industry policy was clearly highlighted last year in a number of ways. One only has to remember the government's responses to the Mortimer and Goldsworthy reports, the government's failure to understand the challenges facing the nation's manufacturing industries, the government's lack of direction in dealing with the closure of BHP in Newcastle, and the government's failure to devise a strategy that would assist Australian industry and business to access new growth markets.

David Forman from the *West Australian* best summed up the government's approach in October of last year when he said:

The Federal Government's industry reform agenda is in confusion, with Cabinet unlikely to reach any final decisions.

He went on to say:

Bureaucrats and ministerial staff were struggling yesterday to pull together a range of reports and policy papers into a single submission on industry policy.

This approach to industry policy by the government clearly indicates that they have no agenda of their own. Their approach to the debate has been to rely on a number of discussion papers and reports on various sectors and then attempt to deal with those reports in an ad hoc fashion. The government appears to have no understanding in its own right on how the varying reports ought to have been integrated into a strategic industry policy and no idea on how to even approach this particular task. As a result, we have a disjointed approach to industry policy and a government that cannot even compile a range of reports and attempt to form a coherent summary and plan from those reports.

On the few occasions when the government has attempted to devise some type of industry policy, it has had only two approaches. Neither have been comprehensive and both have had little effect. Firstly, the government has reacted to policy decisions of the previous government rather than implementing their own. This lack of government initiative and planning has led to a drift in the policy debate. As a consequence, the business community has been unsure of the overall government approach and what differing policies mean for different reasons. Late last year the *Weekend Australian* reported business concerns in the following way:

Business Council of Australia executive director David Buckingham said the Government needed an industry policy that is more than a series of discrete initiatives. What the business community is looking for is a strong signal that the Government wants to get on with growing investment and growing jobs led by an integrated industry policy.

The second aspect of the government's approach has been to confuse taxation reform with industry policy. For example, the commitment of the Treasurer to a GST and his consideration of removing the 10 per cent interest withholding tax on investments in

government bonds to increase the attractiveness of Australia to overseas investors was heralded by the government as a great advance in industry policy.

The business community, of course, did not agree. Trevor Matthews from the National Australia Bank was reported in the *Australian* last year as saying:

Professional investors were more interested in the fundamental health of the economy than tax when considering making an investment here.

The real message stemming from the business community is: get on with the real game of industry policy and incentive. What then should be the government's approach? The appropriation bills should be documents that define a broad strategy for government involvement and participation in the economy. This should be specifically directed towards an integrated approach.

There are a number of requirements for a successful strategy. There are a number of key factors. Firstly, macro-economic settings must be sound and directed towards efficiency and increased productivity in the long term. Secondly, micro-economic reform must continue in the appropriate sectors. Thirdly, an integrated, strategic and whole of government approach must be initiated.

A major mistake of this government has been its reliance on fiscal policy and its overreliance on macro-economic policy. Sound macro-economic policy is important. However, with much achieved in this area during the 1980s, this government has continued to focus heavily in this area. Instead, the government should be focusing on other areas of reform. No longer should government confuse economic policy with industry policy.

This government is relying on fiscal control, budget surpluses, low inflation and moderate wage growth to attract investment and to provide a level of growth that will increase both employment levels and living standards. An industry policy does not rely solely on macro- or micro-economic settings. It actively participates in creating an environment in which industry and investment will prosper. The government's budgetary strategy, as defined throughout the appropriation bills, should provide an environment in which the

desired industry policy can be pursued. The current appropriation bills do not perform this role.

Industry policy should be visionary and include a coherent development policy that focuses long term. The policy should seek to generate wealth by participating in value adding industries and other high growth sectors. The appropriate policy should aim to create sustainable economic growth to bring unemployment levels down below the five per cent mark. Those new jobs should be orientated heavily towards the service industry and moderately towards manufacturing and commodities. Additionally, there is great capacity for value adding in key resource areas.

Government should set out to achieve this by strategic intervention, cost competitiveness measures, market access and export promotion measures and support for innovation and skills formation. Underlying this approach is the acceptance by government that industry policy cannot and should not be left to market forces. Government has a responsibility and an obligation to intervene in the market to develop industry policy and to assist in the introduction of Australian industries into new markets.

Equally important is the established criteria for the selection of government supported industries. Supported industries must have a significant lifespan that will benefit Australia and Australians in the acquisition of technology, knowledge and research and development through both public and private sectors. Equally, these industries will exist where there is significant demand. They should be export orientated, possibly with the government prepared to assist financially with entry into the world market.

The industries should also be value adding. This will increase the value of exports and decrease the cost of corresponding imports where there is a direct correlation. The policy must also be integrated. No one aspect of policy is ever enough. This means that tax support for research and development must be part of an overall approach that may also include import replacement.

There are a number of practical measures that could be implemented to bring about the

desired environment and policy. Firstly, the government should continue to consider the recommendations of the Mortimer report to establish an Australian investment agency with funds of \$1 billion. The creation of such an agency would allow the government to make decisions on how to best use its resources to attract industry and investment to Australia's shores.

In some cases industry does require incentives and rewards. The creation of an investment agency may allow the government to create the desired environment and pursue serious cost-benefit analysis to determine if financial incentives in whatever form are appropriate. The impact of this would be positive. Over a period of five, 10 and 20 years, there would be a further diversification of the industrial structure of this nation. There would be further development of natural resources and human resources through upgrading the skills base. There would be the development of deep and broad financial markets that encourage the required capital investment to achieve that necessary growth.

The gains to investors are obvious: higher return and capital appreciation. The benefit to employees will be real wage increases significantly over time. It is a willingness to study and research this type of approach that business and industry are crying out for. The willingness by government to play an encouraging role within the economy and to assist Australian industry entrants to new markets should be the overriding strategy of this government's appropriation bills.

The ideology on which the government has premised its budget strategy is wrong. Government involvement, when required, is justifiable. Relying on a free market to solve inequities between international economies is detrimental to our nation's interest. There are cases to be made for government intervention to create a level playing field with our international competitors and assist new industries to reach a level where they can compete on their own.

Assisting export orientated manufacturers or providing opportunities for our youth to educate themselves in the areas of future export orientated markets such as information

technology, without the cost of that education being a disincentive, are legitimate roles for government to play. A participatory government budgetary policy that sets a broad framework within which wealth creation and employment can prosper is the right approach to get our industries exporting and our people working.

Senator HOGG (Queensland) (8.52 p.m.)—I rise in this debate this evening to talk about two issues in particular. The first of those is the missed opportunity in the work for the dole scheme and the fact that the government, through this grandiose scheme, have frittered away needlessly very good dollars which could have been used constructively to assist those people who are unemployed.

This is the first time that has presented itself this year for me to address this chamber. Coincidentally, it was 10 February last year that I spoke in this chamber on this very same issue. Not long after, the government clutched at a straw and announced the arrival of the work for the dole scheme. On that occasion, I expressed my concern that there needed to be additionality of employment, not substitution of employment. I stressed that there needed to be a creation of real jobs, and I said that there needed to be an ongoing commitment by employers to keep people employed in real jobs. Those were heartfelt concerns of mine, having had a long experience of what employers can get up to out there in the real world of the work force.

Some 12 months on, I do not see any improvement whatsoever as a result of the work for the dole scheme. Some employers out there are doing what was predicted. They see this as an opportunity for free or cheap labour. They see it as an opportunity to replace existing employees. In particular, they are targeting casual employees who have no regular employment guaranteed to them. To me, replacing these workers with a subsidised employee constitutes nothing but a total abuse of the employment of people in the work force.

At the heart of this is the fact that the work for the dole scheme, which is chewing up endless dollars of the budget, is providing

people with no career prospects. One could not countenance for one moment that planting trees or painting stormwater drains is in any way a long-term career prospect and giving someone access to a career job. We have heard the platitudes that this opens to people the opportunity for work and the opportunity to gain some self-confidence and self-esteem. Whilst that might sound good in theory, in practice, receiving two days work per week does nothing to improve the self-esteem of individuals who have been unemployed in the community for some substantial time.

In this grandiose scheme of things, the government have no proper monitoring to see that the outcomes are being delivered or to test that there is a real, positive result for those people who are unemployed. There is no test to see at the end of the day how many people are really scoring a real job. I would put it to you that very few, if any, are being successful in sustaining real jobs. What we have seen in essence is that the federal government have frittered away valuable tax dollars on an ill-conceived program that was doomed to failure from the outset.

One would have hoped that the government would have been more compassionate in dealing with those people who have unemployment problems in our community and they would have used the tax dollars far more wisely than they have chosen to. What the government really need to do is properly assess this scheme that, to date, has proved of little or no value out there in the community, and then dump it as soon as possible and put something that will do something absolutely positive for those unemployed people in its place—something that will give them some real hope and some real opportunities into the future. That is the first missed opportunity that I see arising in the current budget round.

The second issue that I want to focus on at more length is the closure of Medicare offices. Before the last election, the then opposition leader, the now Prime Minister, promised—and I do not know whether it was a core promise or a non-core promise—that Medicare would be retained in its entirety, and of course an essential element of the

Medicare system has been the public face of Medicare—the Medicare office.

The Medicare office has been important in terms of inquiries from the public, lodgment of Medicare claims and collection of any refunds that may be due as a result of the lodgment of a claim. Most people—particularly low income people and pensioners—find themselves in the position that, having lodged a claim, they wish to have a same day cash collection of that lodgment that they have placed at the Medicare office. However, it does not seem that this will be the case in the future because of actions by this government.

The Medicare office was identified as a service to the public, and that is very important. It was there to serve the needs of the public. You could not always have something that was going to be cost-efficient in the ideal economic rationalist mould, but it was there to serve the ongoing needs of the ordinary, everyday public. Many of those people—and I am going to come to some specific constituents in a moment—are people who do not have access to public transport or who do not have a great deal of access to their own private transport, and the withdrawal of this service is a great impediment to them in the processing of their Medicare claims.

In my view, the government has an obligation and a duty to provide a service through the Medicare offices. To date, all this government has shown is a propensity to withdraw the service rather than maintain or enhance the service. In the 1996 budget, 84 Medicare offices closed. In the 1997 budget, a further 44 Medicare offices closed. Whilst that is Australia wide, many of these have been in rural areas. But a substantial number have also been in major regional and urban areas where there are large populations of aged and elderly persons.

One gets a feeling that one has been there and done that—a feeling of *deja vu*—because of an encounter with this issue of the closure of Medicare offices within a month of my election to this chamber. Where I reside, in the seat of Griffith—adjacent to the seat of Bowman—in Queensland, there have been a number of closures of Medicare offices. For

example, the Cannon Hill office was in the first round of closures. It had serviced a largely pensioner community. In the latest uptake we have seen the closure of the Coorparoo and the Wynnum Medicare offices. The Coorparoo Medicare office, which was closed on 20 February this year, had serviced an older community, a fair number of pensioners, who had found it very convenient to go down to the local Medicare office in the Coorparoo shopping centre to do their lodgement and make their claims.

Now those people are being forced to Carindale which, even by public transport, is some 20 to 25 minutes away. Carindale shopping centre in itself is one of those monumental shopping centres where there are literally hundreds of tenants. Just the sheer task of getting around these centres can be quite daunting for some of the older people in our community.

The Medicare office at Coorparoo, which was closed off to them had had, by its track record as of 31 October 1996, a reasonably high throughput of claims on a daily basis—in the order of 264 claims each and every day. The Health Industry Commission used a notional figure of 400 as the baseline to judge whether a Medicare office should remain open or closed—not whether it was offering a service. It was purely a mathematical exercise as to whether or not an office should remain open or should close, and the Coorparoo office was very much a victim of that numbers game. The people of the Coorparoo area, which is firmly in the seat of Griffith, have suffered as a result.

The closure of the Wynnum office is an even more interesting story, because the *Wynnum Herald* of 14 August 1996 has a photograph of me with a local Labor candidate and a local resident in a story on what we believed was the pending closure of the Medicare office at Wynnum. Wynnum is a suburb where there are a large number of pensioners who rely heavily on this service being provided to them. Whilst the throughput of customers on a daily basis—according to the statistics back in 1996—was only 117 per day, it was a real case of a service to older citizens in our community. The heading in the

Wynnum Herald of 14 August says, 'Medicare closure denied', and I quote from the article:

Federal Health Minister Michael Wooldridge has dismissed reports that the Wynnum Medicare office will close as scaremongering—but he will not guarantee the agency's future.

I am glad he did not guarantee the agency's future, but it certainly was not scaremongering. The truth is that that was one of the very offices that was always lined up to go and, in the end, it did go. It was a valuable service that served the needs of that bay-side community in the Brisbane area well. It is also interesting that at that time the then and current member for Bowman was totally silent about the prospect of that happening to the Medicare office down at Wynnum.

Turning to more recent press statements from the *Wynnum Herald*, on 25 February a different story emerged. The headline that day was: 'West slams Medicare'. West, of course, is Andrea West, who is the member for Bowman. The article reads:

Federal member for Bowman Andrea West has described her government's decision to close Wynnum's Medicare office on March 27 as "outrageous".

I think that sums it up pretty well. 'Outrageous' is the right word. Here was something that was the public face of Medicare being closed and made unavailable to pensioners and older people in that community where the pensioner numbers are high. They are being told, 'Go off to Carindale.' Previously, they might have gone to Cannon Hill. Now Cannon Hill has been closed, they have to go to Carindale anyway. This poses some real problems for them.

Then if one looks at the same day in the *Wynnum Herald*—they had a good day that day in the *Wynnum Herald*—the editorial was quite scathing of the closure of this office. Amongst other things, it says:

It makes you question the usefulness of our elected representatives when the needs, not the wants, of Wynnum residents are ignored in favour of cost cutting.

This is a very important issue for the people who are in the Wynnum area. It goes on to say:

Sure, the Wynnum office was recording low transaction levels, but a government which claims to be concerned for the people should be able to sacrifice funding to meet a desperate need.

So what we have here is the local federal member coming out, belatedly, against the federal government, criticising her own government—and rightfully so—for the miserable attitude that they have got towards Medicare offices which are so vital and so important for our older community. But the hidden part of that particular scenario, of course, was reported today in the *Courier-Mail*. It is interesting that the *Wynnum Herald* did not publish the full press release, apparently, that was put out by the member for Bowman, because the member for Bowman—this was picked up in the *Courier-Mail* article today, and I quote from it—went on to say in that press release:

"I am amazed at the lack of action from the ALP state member, Paul Lucas, in lobbying on behalf of his electors in an effort to alleviate their isolation from some important community services," she said in a news release.

So here we have the local federal member, who could have taken the cudgel up as early as 1996, blaming the local state member of parliament for a federal matter. This, to me, is typical of the mess that this government is in. It is ignoring the needs, the desires and the wishes of the local people. You cannot apply economic rationalism to everything.

Here we have, in this effort by this government, something that is affecting older Australians. Older Australians are asking, 'Why are we being ignored? Why are we being forgotten once again?' The bottom line of the whole of this is that the government has acted consistently miserably towards older Australians. There are other examples when one looks into issues like aged care, but this really highlights how the government has cast off its responsibility to meet the day-to-day needs of the people in terms of just a basic issue such as their Medicare refunds.

Whilst the government may well try to use the excuse that bulk billing is in place with many doctors, that is not always the case for every service that aged persons may need to avail themselves of. So what we have in the government's budget, in their appropriations,

is a degree of miserableness never seen before. The government should be ashamed of the way in which they are treating our elderly people in this community.

The ACTING DEPUTY PRESIDENT (Senator Patterson)—I call Senator Neal.

Senator Brownhill—You were not talking about Robertson, were you?

Senator NEAL (New South Wales) (9.12 p.m.)—I wish to speak today in relation to the appropriation bills. I would like to talk—as prompted by my colleagues on the other side—about how this government's appropriation bills, which put into effect their budget, have affected the seat of Robertson. But before I do that, I would really like to talk a little bit about how child care has been affected by the changes that have occurred in that area and how the changes are affecting families all around Australia.

Child care is one of those areas where the Labor party, while in government, had a very proud record. In fact, we were well on the way to producing a child-care system that was accessible and affordable to most families. When we look at the numbers—if it can be done in an unbiased fashion—the number of places that were created is quite astonishing. When the Labor government was first elected in 1983, child care was one of those services that were really only available to the very rich. Child care was really only affordable for those people who were affluent and could employ a full-time nanny. In fact, in 1983 there were only 46,000 child care places available in Australia. It was a very different situation when we left government in 1995: there were 600,000 child-care places available and about half of those, 300,000, were supported by the Commonwealth through child-care assistance.

Since this government has been in power, despite their rhetoric, despite their weasel words, essentially they have taken out \$820 million. The majority of that was taken out in the previous budget, but the follow-on effect of this budget, which removes a further \$320 million, really puts the nail in the coffin. For many people, that additional cut of \$320 million has meant a change from a situation where child care was affordable, accessible,

for families, and where women—and generally it is women—going out to work could afford to put their children in child care and still have a reasonable amount of money left over from working.

The situation now exists, with increases in out of pocket expenses of an average of \$10 for those on partial child-care assistance and \$18 for those on maximum child-care assistance, that for many women the changes brought about by the budget mean that they can no longer afford to remain in work. Many people on the coalition benches probably do not think that is a problem. As I have been travelling around the electorate, talking to women who use child-care centres and to people who run child-care centres, they have told me that they have become very aware of a secondary agenda of this government which no longer encourages or makes it beneficial for women who have children to be in work.

This government is attempting to turn back the clock in a way that many women in the community find quite startling. One of the areas which has been most adversely affected by this budget is the area of before- and after-school care. You might recall that the operational subsidy which allowed many of these centres to operate has been removed. Initially, this was to take place from 1 January. The government—as it appears prone to do in recent times—did a backflip. That measure has now been deferred until 27 April 1998. That is, I suppose, a good thing. It is better to have it coming into effect in April rather than in January, when a large majority of these centres were not open and it would have caused an incredible amount of confusion. However, though it is marginally better for the operational subsidy to be removed in April, it is still going to have dire consequences for many before- and after-school care centres.

Those who are not familiar with the operations of child-care centres and before- and after-school care centres may not be aware that before- and after-school care centres are generally run either in halls or in schools. They do not have a capital base. Generally, they are set up by a community based group which employs carers, usually on a part-time

basis, to care for children in the hours of between 7.30 in the morning until school starts, and from 3.30 till about 6 o'clock in the afternoon. Those organisations are run on the smell of an oily rag. That is no exaggeration.

They used to have an operational subsidy which gave them their base and then they collected a small amount of fees directly from parents—and I suppose having to top up their income by that method—and the calculation of fees was quite simple. Now usually one or two carers, who work about six hours a day, are expected to work out a very complicated formula of child-care assistance which they have to administer from information given by the parents. Somehow, they have to work out an estimate of how many hours each child is going to be in care, and from that advise the government. If they make any mistakes, they are liable to fairly severe consequences for giving misinformation. Many centres are finding this whole thing quite extraordinary.

The government was concerned about some of the reactions of paying child-care assistance in arrears. It sought to remedy that situation by saying that child-care assistance should continue to be paid in advance and would not be administered through Centrelink. However, what has happened—and I think it shows a great misunderstanding of the distinction between the different kinds of child-care centres on the part of the minister—it is unable to see that, by requiring before- and after-school care centres to administer child-care assistance, it is imposing an incredible burden on them.

Having changed his position once, and not seeming to have really understood how it all worked, Minister Warwick Smith tried to solve the situation by telling the before- and after-school care centres that he would pay them the equivalent of two months operational subsidy in order for them to put in place the administrative changes to administer the system—or I should say the chaos—which has been created by this government. On 20 February, the minister announced that he would provide an additional \$8 million to bear this administrative cost.

I suppose that is better than nothing, but it is still clearly stated by most of the before- and after-school care centres that they will initially have to double their fees, and that they have already had major drops in the utilisation of their centres because of the fear and confusion that exists amongst parents.

The seat of Robertson was mentioned before. Two weeks ago, I visited a before- and after-school care centre in Kariong. I spoke to the coordinator of the centre, and also to the parents, about their concerns. They told me that from the date when the operational subsidy was removed they would be doubling their fees. They were very concerned that this would mean a further drop in the number of children using the centre and that eventually—in fact, in a fairly short period of time—they would have to close their centre.

For many parents who rely on before- and after-school care to ensure that their children are properly looked after, this is a major concern. It means that those parents either have to give up work and give up income that, in many cases, makes the difference between struggling and being reasonably comfortable, or they have to accept that their children under the age of 12 years have to go home to a house that is unoccupied by an adult—that they are on their own. This is no longer acceptable for many people. The risks that children face when unattended after school is not something that they would contemplate.

The budget cuts to child care that are contained in this year's budget are having a very major effect on before and after school care and this is before the real impact comes into place on 27 April. I hope that this government sees fit to examine the situation properly. Rather than making tentative and uncertain changes from time to time, they should realise that attempting to make the before and after school system administer child-care assistance is completely impossible and that it will mean the collapse of those sorts of centres. I would strongly urge the government to change their position and at least allow the present system to continue until the introduction, as they have proposed, of the smartcards next year.

I would also like to emphasise that the overall effect of these budget cuts over two years means that every single parent who accesses long day care—and this is an average figure—is paying an additional \$10 a week per child. For many of you that may not seem very much; those of you who are on parliamentary salaries may think that is not very much at all; but, for many people in the community who are having difficulty surviving, an extra \$485 a year can be terminal—it can be terminal to their job and terminal to balancing the budget. I conclude by urging the government to rethink its position on before and after school care and the implementation date.

Senator MURRAY (Western Australia) (9.25 p.m.)—On behalf of the Australian Democrats I rise to support the appropriation bills. These bills attend to some housekeeping matters and other matters which accord with the need for the government to honour its commitments in the community. However, like other senators, I want to use the opportunity to draw attention to some of the consequences of existing fiscal, revenue and expenditure policy by the government.

Like Senator Cook, I want to make some remarks about tax reform, because tax reform is very much at the heart of the ability of government to raise funds in a manner which minimises harmful impacts on the community—

Senator Brownhill—And gives incentives to the people who are working in the Australian community.

Senator MURRAY—Quite right, and maximises the benefits. In doing so, it is appropriate that the government develop its views but what I and others fear is that the views which the government comes up with will be factional views. I am concerned that the Gibson committee might possibly prove to be a Clayton's committee, despite the quality of its chairman. And also, despite the fact that it has received over 300 submissions, the committee may well be ignored by the Treasurer's office and the Treasurer's line—maybe it will not but I draw your attention to the fear that we have. I also note that the Gibson committee excludes some of the finest

accounting minds that exist in the coalition ranks, which is a great mistake.

I note that at the ministerial level the ministers' departmental officers do not have their own dedicated small task forces to generate their own views, because it is quite plain that Industry or Environment or Social Security needs to compete with Treasury for ideas. I am at a loss to understand how ministers will be able to enter the cabinet room with their competing ideas if the Treasury task force has a monopoly on the reception of tax proposals, and the analysis and the conclusions that arise therefrom. I am afraid that the competing tensions which should exist within the coalition to arrive at a model that is acceptable to the members of the government as a whole may not materialise, so that the government's tax model might be flawed if it is a factional beast. I hope not, but that is a fear I have.

The second area I want to draw attention to is the whole question of how we view our society and how we view the experiment that has been applied to the Australian economy by what are known as economic rationalists or fundamentalists. I draw your attention to a paper in *Quadrant* of September 1997 by Martin Feil entitled 'The declining Industry Commission'. He makes this point:

If economic rationalism and minimal market intervention can be described as the business plan for the Australian economy from 1975 to 1995 then the government should report to its shareholders (the Australian people) that the plan hasn't worked and that senior management is being replaced.

He then goes on to quote the World Bank in this article:

In its World Development Report for 1997 (issued on 25th June) the World Bank makes the point that "the lesson of recent years has been that the state could not deliver on its promises".

In his introduction to the report the President of the World Bank, James Wolfensohn, says:

Many have felt that the logical end point of all these reforms was a minimalist state. Such a state would do no harm, but neither could it do much good.

It is the opinion of the Australian Democrats that the previous government, and now this government, have continued with an experiment which puts far more pain than gain onto

the Australian people. It is time to recognise that an experiment begun with some hope for its outcomes has, in fact, reduced the social wealth and has created a social deficit in our country. I see signs of a shifting towards an understanding of that by Labor, and I hope it is a sign of a philosophical shift, not simply the consequence of being out of government.

The fact is that the coalition have succeeded in two ways in their two years of government. They have two achievements. First, they have balanced the books and have created a more credible and more responsible way of managing our financial affairs. Second, they have succeeded in workplace reform but, apart from that, the people as a whole are very disturbed. When members of the government proclaim the satisfaction that they feel with their policies, it is not a satisfaction reflected in the community at large. People do not feel better off. The constant harping on the wonderful benefits of lower interest rates is just grotesque, because the lower interest rates were part of the economic cycle and were arriving at the very time that Labor was leaving—we would have had lower interest rates anyway.

I agree with the coalition that their policies have, in fact, advanced those lower interest rates to a lower level, but they are not responsible for interest rates plunging from double figures to single figures, or even from high single figures to low single figures. They are certainly responsible for making the interest rate climate better. So that is the third leg on which they claim to have made the Australian people very satisfied. I do not think they have had that much to do with it personally, but I know they disagree.

When we turn to the people themselves, they are distressed about the state of their hospitals or their schools or their roads or their environment, and they are distressed about the amount of money in their pockets. Two things have been happening.

Firstly, under the previous government and accelerated by this government, there has been a cost shifting to the states without a comparative benefit in terms of revenue.

I am a strong supporter of Premier Richard Court's campaign in Western Australia for a

review of the constitutional relationships which govern our taxation system and of the state and federal taxation relationships. It may be true that some things that are wrong in my state and other states are as a result of government policies, but other things that are wrong are because the governments in the states are starved of money in many respects. So they have long waiting queues in the hospitals, they have larger class sizes in the schools, and they have a deteriorating social environment. Some of that is to do with money.

One of the consequences too is that the states are forced to sell their family silver. The latest lot about to embark upon this road of selling off their people's assets is South Australia. I am quite sure that, whilst there might be an ideological commitment to privatisation by many coalition members, it is because they are short of money. One of the reasons they are short of money is not mismanagement but is the cost shifting that has gone on from the Commonwealth to the states and the shortage of revenue to compensate for that. I do not think the coalition government have the balance right in that respect. It is not good enough to balance the books; you have to deliver equity in the economic relationship with our peoples and our states. We are a federation: that is the nature of our constitution.

The second area of cost shifting is to the individual. I am told that this coalition government has, in fact, raised revenue by over \$9 billion, not as a result of increasing taxes but as a result of decreasing benefits, decreasing subsidies and decreasing the transfer of funds to the community. The result is that parents pay more for their children's education. Over and above their taxes they are paying a lot more—every one of them. They are paying more for medicine; they are paying more for health. They were paying more for roads until the High Court changed the system and said that the government could not raise fees, as the states were doing.

So, whilst the Treasurer is quite right in emphasising the importance of sound fiscal parameters, individuals in Australia are not saying, 'We are better off, these are the

golden years.' Certainly it is hard to make that happen in a short scale of time, but I think it must reflect upon the need to supply the community with the level of service that it needs and, in fact, is demanding.

The social deficit is reflected, for instance, in the agonies which accompany it which are caused by both ideology and cutting funds. The figures say that, in 1997, 15,044 permanent staff separated from the Australian Public Service. I do not know how many people in this room have separated from companies, jobs or whatever. It is not an attractive experience. It is not something which makes you feel good. It is not something which you look forward to even if you do get a redundancy or even if you follow on with another job.

That mentality that an automatic reduction in Public Service personnel is a good thing needs to be challenged—why is it a good thing?—because it does mean a reduction in service to our community. It does mean fewer people to do the job. We are not convinced that that small government idea can carry on for much longer. As James Wolfensohn from the World Bank said, the state that some members of the coalition may look forward to would end up not doing much harm, but it would not do much good either.

The other area I will highlight in terms of some effects is that of education. The enrolment benchmark adjustment exercise that Minister Ellison has gone about—and he is a sincere and committed minister—we think is having harmful effects. It is resulting in a net loss of expenditure per student, which ranges by our calculations from \$6.18 in Victoria up to \$21.87 in South Australia. Why is that good? Why does anyone think that is clever when our whole future rests on investment in our intellectual capital on the one side and, as Senator Bishop outlined in his address, in investment in our physical capital on the other?

Our levels of demand for university places have fallen. If you speak to university academics, the marketplace mentality is ruining a lot of the good quality education that we have provided in this country because it is changing the philosophy and ethos under which we pursue knowledge. Of course, you

are right to want to make universities more efficient. Of course, you are right to want value for money. But education is not a market. We have got a fall in university places of three per cent in Queensland; 12 per cent in South Australia; 13 per cent in Victoria; 15 per cent in Tasmania; 17 per cent in Western Australia—we are ecstatic about that I must tell you; and 19 per cent in New South Wales and the ACT.

When I discuss an appropriations bill or anything do with money, I understand the accounting and managerial needs, but the ordinary Australian—the ordinary battler as you like to call them—the battling small business person, does not see a lot of benefit to themselves. Of course they are grateful that their interest rate is lower, but they are not thanking you that much for it because in so many other areas their costs have gone up. In the budgetary process to come forward, I hope—even if the reason is an eye to the election—the coalition will have a look at what we refer to as the social deficit and put a little more heart into its accounting books.

Senator QUIRKE (South Australia) (9.42 p.m.)—I want to take this opportunity tonight to make some remarks about Defence and in particular the current position we find ourselves in in terms of the Defence budget here in Australia. Last week during the estimates committee hearings into Defence I asked the question about a newspaper report which indicated that before the government at this stage was the proposal to acquire a new fleet of VIP aircraft. Indeed, the article, which was in the *Financial Review*, indicated that the government was considering a \$160 million procurement of equipment for the VIP fleet.

The general response from most of the senators was for me to shut up because some members of this august body here and the House of Representatives, particularly those from the more outlying areas, have used the VIP fleet. I have not had the pleasure of doing that yet. But, in essence, the questioning was not to do with the \$160 million proposal—if that is correct—that is lying before the government; it was to do with where the money is going to come from.

From which budget line is the money going to come?

We got no answers to that. The government said that currently the situation requires a \$22 million injection each year for lease fees, et cetera, for the Falcon and for the other aircraft that constitute the VIP fleet. They suspected that, if there were any change in the future, that pattern would continue and that we would have to wait—I think that was the comment of the minister—to find out what the government would do and when it was going to do it.

The nub of the questioning was to do with the fact that a \$160 million aircraft fleet is going to be quite a burden on Defence if it is to fall completely within its budget. That brings me to the main part of my remarks here tonight, which I understand because of the time will have to be continued tomorrow. Defence in Australia has for many years now been a \$10 billion enterprise. In fact, it is currently 1.7 per cent of gross domestic product. We are told by Minister McLachlan—he made a public statement to this effect last year—that Defence cannot really expect that budget to grow beyond that figure. I am not talking about 1.7 per cent of GDP; I am talking about the \$10 billion figure.

The last great review of defence—there is currently a review into very many aspects of defence and defence planning—was the Dibb review of the mid-1980s. From memory, the Dibb review came down during the course of 1986, following a three- to four-year review of defence expenditure and the strategic position that Australia found itself in at that time. The Dibb review had two main backdrops.

The first, which influenced all defence thinking at that stage, was the bipolar world that we found ourselves in in the mid-1980s. That was until 1989, which saw the collapse of the Berlin Wall and then there was the collapse, effectively, of the USSR into a whole range of different republics, and a military system in Eastern Europe that can only be described as a rusting military economy that can no longer provide the necessary equipment or the necessary number of men

and women at arms that it once did before. When Dibb was looking at this particular question, the USSR was one of the world's great superpowers. It had the largest inventory of aircraft. It did not have the largest navy, but it had the second largest navy. Although a long way short of the United States, it was still a substantial naval presence. In terms of men and women at arms, it was much greater than the United States. In terms of tanks and a range of other things, the USSR forces were very much more considerable than they are today.

The other part of the backdrop was the Falkland Islands war of 1982. The experience of the Falkland Islands war in 1982 was very much in the minds of the persons who came together for this particular review. In many respects, what happened in the Falkland Islands in 1982 was really a precursor for the world we find ourselves in today, which is a much more dangerous world that is much more likely to have a series of small-scale wars.

Indeed, the world that we had until the collapse of the Soviet Union had seen since 1945 very few conflicts. We had seen the conflicts in Korea and Vietnam, which affected a number of Australians, Americans, New Zealanders and other allies, but in essence these were all within the Cold War parameters. What happened in the Falklands was a conflict that came from no-one and showed, at least to the British defence personnel at the time, that a conflict could blow up very quickly and that they needed to have a flexible defence approach to deal with that.

What has happened in the years since Dibb is that the world has become much less secure. One could argue that Saddam Hussein's move into Kuwait in August or September of 1990, and the consequent Operation Desert Shield to protect Saudi Arabia and Operation Desert Storm to retake Kuwait, emerged from stage left, so to speak. They were not something that we were really prepared for. We did not have a great deal of warning of them.

We passed a motion this afternoon, which certainly went through with my support, supporting Australian soldiers who have been

deployed into the Gulf area. We hope that the need for them to be used for the bombing of weapons of mass destruction and the facilities in which they are constructed never happens. Again, we have to say that this is another conflict which has emerged.

Many people have said that the job on Saddam Hussein was not done properly in 1991. That is not the subject of what I am saying here tonight. What I am saying is that until two years ago we had no idea of the extent of these weapons of mass destruction and the amount that Iraq currently holds. As I understand it, there are sufficient stockpiles of weapons there that threaten certainly the intermediate area and threaten terrorist operations in other parts of the world.

Debate interrupted.

ADJOURNMENT

The PRESIDENT—Order! It being 9.50 p.m., I propose the question:

That the Senate do now adjourn.

Katherine Floods

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Social Security) (9.50 p.m.)—On Christmas Day 1974 Cyclone Tracey devastated Darwin. There was destruction on a scale never before seen in Australia. A whole city was destroyed. There were many heroic and astounding and astonishing stories about this disaster. But perhaps the most astounding aspect was the spirit that shone through.

We are seeing that strength in the face of adversity again in Katherine. On Australia Day 1998, Katherine was hit by the worst floods ever recorded in the region. Let me relate the size of this flood so that the Senate can appreciate the magnitude of the disaster that befell Katherine as a result of Cyclone Les.

The 1998 flood saw the river peak at 20.4 metres—1.1 metres above the record flood of 1957. The initial hydrologist's report puts the flow rate at double the previous record. The peak flow rate experienced was estimated at 12,000 cubic metres per second, over twice the maximum flow rate of 5,677 cubic metres

per second of the 1957 record flood. The river peaked at 7.15 p.m. on Tuesday, 27 January.

The flood would have filled 10 Olympic swimming pools per second. It could have filled Sydney Harbour in 12 hours. There was enough water to fill Sydney Harbour four times over. Some 1,000 square kilometres of country were covered by flood waters at the peak. The flood inundated 1,100 dwellings and every business and government office in the central business district. All houses and most of the farms along the Daly River were affected.

But the statistics cannot illustrate the devastation as clearly as the experience of seeing street after street of people's possessions—everything they owned—piled out in front afterwards, being picked up by front-end loaders and put into tip trucks to be dumped. I can assure you that it was a heartbreaking scene. The destruction and sheer magnitude of the disaster left you with a hollow feeling of loss and shock that cannot begin to equal that which must have been felt by the residents themselves. It makes you realise that this immense amount of water will not affect the families of Katherine for the days that their houses were under water, for the week of inconvenience, but for the rest of their lives. People lost everything. Whilst material possessions can be replaced, can they replace the memories, the laughter and the history in the photographs, the videos, the souvenirs and treasured family mementos?

Individuals and organisations alike cooperated and overcame extreme obstacles, especially the emergency services and Australian defence forces in the first few days after the disaster. The Northern Territory Police, Fire and Emergency Services, under the command of Commander Maurice Burke, in conjunction with the defence forces under the command of Group Captain Crowhurst and Group Captain Ward, did a superb job. In a perverse way, Katherine was lucky. They were lucky they had the RAAF base Tindal in such near proximity.

Defence personnel cannot be commended strongly enough for their supreme effort in the days immediately following the flood. Over 1,100 Defence Force personnel worked in

appalling conditions: temperatures over 35 degrees, humidity around the 70 per cent mark and the cloying stench of hundreds of tonnes of rotting food for many days. There were 34 C130 Hercules flights out of Katherine and Daly River over five days, carrying almost 1,000 people and over 400 tonnes of food and equipment. Of course, there were the simple stories like the heroic story of the soldier who drove through water to save the sewerage system of the town, averting the need to evacuate the entire town; or the power and water authority workers who saved the electricity supply by sandbagging.

I also would like to commend the efforts of Mike Reed, the member for Katherine who, whilst losing his own homes in the community, was instrumental in the defence efforts. There were so many people rescued and accommodated at emergency centres. In a recent statement to the Northern Territory Legislative Assembly, Mike Reed described declaring a state of emergency, acting under his powers as Minister for Police, Fire and Emergency Services, at 6 a.m. on Tuesday, 27 January, in the lounge room of his house with water lapping at his ankles. This state of emergency was subsequently upgraded to a state of disaster, which remained in place until 8 February.

Of course, the member for Victoria River, Tim Baldwin, must also be commended for the exceptional job he did in Katherine and particularly the community of Daly River, which was hit by floodwaters a week after Katherine. I flew over Daly River on Tuesday, 3 February, as the flood was at its peak. It is a sight I will never forget. That beautiful community that I had visited a couple of weeks previously was totally inundated and surrounded by a vast sea of water as far as the eye could see. Mention should also be made of the many residents of the area who, despite their personal losses, have overcome the disaster with extreme effort and spirit. The Mayor of Katherine, Jim Forscutt, and many others, fall into this category.

I am pleased that the Prime Minister (Mr Howard) and the Minister for Regional Development, Territories and Local Government (Mr Somlyay) were able to be so rapid in

their response to the disaster and to provide such unique assistance. The Prime Minister was in Katherine on Friday, 30 January surveying the damage personally, offering assistance and meeting affected residents. The assistance that the Commonwealth has provided includes a special Katherine redevelopment program which will certainly see all eligible businesses receive grants of \$10,000. Under this scheme, 511 businesses had received assistance as at Friday, 27 February. There is also a Commonwealth emergency payment which allows *ex gratia* payments of \$500 per adult and \$200 per child to the affected residents of Katherine and some of the outlying areas.

Of the 30 staff who work in the office of Centrelink, eight lost their homes and yet continued to work tirelessly in those conditions. In the first two days of operation, the staff processed two and a half thousand claims and paid out nearly \$2 million. At the close of business on Friday, 27 February 5,331 claims had been processed and \$7.93 million paid out. It was an incredible effort for the Centrelink staff and I thank them, as their parliamentary secretary, for their dedication and effort. Mark Wellington, the manager of Area North Australia and Frank Jorgenson, the Katherine office regional manager, deserve special mention for the exceptional effort that they made during the disaster.

The Commonwealth contribution also included a \$5 million grant to repair the Stuart Highway, the vital road link which was cut in both directions. The total Commonwealth contribution is likely to be about \$34 million. This includes \$21 million under the normal disaster relief arrangements, but does not include the very significant and special contribution of the defence forces. Australia Post flew in a special team of six immediately. They did a magnificent job and were operational again by Wednesday, 4 March. Telstra played a vital role in the maintenance of communications. Katherine's communications were lost for only a few hours as floodwaters inundated the town and their equipment. Staff such as Andrew Waddell and Ron Kelly kept working despite all of the personal inconvenience they must have experienced.

Red Cross has organised an appeal for the victims of the flood. The appeal committee is chaired by Mrs Josephine Stone and is raising money nationally. As at Friday, 27 February the appeal had raised \$1.4 million, with \$921,000 of that money already disbursed to flood victims. The Red Cross is also providing clothing and bedding for flood victims and their work for Katherine and the surrounding communities has been exceptional. I thank them, on behalf of the flood victims, for all of this.

The response by other territorians to the disaster has been phenomenal. Hundreds of volunteers have descended on Katherine to help with the massive clean-up effort and there have been incredibly generous donations of clothes, cash and other necessities. To the families and friends of the four victims of the disaster I offer my sincere condolences and also those of other territorians and Australians.

Through all the destruction and despair, one thing shone through; that is the strength of the people of Katherine, the surrounding areas and the community as a whole. The community pulled together, worked to restore their town and showed an incredible sense of commitment and solidarity. I am sure that all territorians and Australians commend them and thank them for their efforts.

I see this disaster as a turning point for Katherine. It will recover—I am convinced that it will—and it will come back a much stronger community. So many residents have experienced the loss of everything material, yet they have overcome this in an exceptional way, faced it and emerged on the other side with spirits strong and an even greater commitment to their own community.

Goods and Services Tax

Senator COOK (Western Australia) (10.00 p.m.)—Earlier today I had the opportunity to speak in the debate on the appropriation bills. The matter that I addressed in the main was the question of a GST, a consumption tax, on which the government has commissioned a task force to prepare options for it to consider and to do so in secret without there being any record kept of the meeting of this committee

and without there being any documents placed in the public domain to enable voters in Australia, electors in this country, to consider the various merits of options based on factual information as to the impact on the revenue system, the impact on particular classes of taxpayer or the impact particularly on lower income earners in this nation.

What is clear—and I make this not as my main point but as an important point nonetheless—is that a GST or, as the Prime Minister (Mr Howard) keeps calling what he has directed his task force to look into, a broad based indirect tax is a regressive tax. It is regressive because it imposes the same monetary cost on both the poor and the wealthy irrespective of their ability to pay. Thus it is regressive; it is not progressive in the technical sense in which PAYE taxes are progressive. They are progressive because the amount of tax is fixed as a percentage of income and there is a progressive scale according to the levels of income.

What I referred to this afternoon, which is important to keep in mind, is that in 1985 there was a wholesale review of the taxation system in Australia and the then government, the Hawke-Keating government, put in the public domain a whole series of volumes of material setting out the statistics on taxation—the effect of various options A, B and C. One of those options was an option for a consumption tax; the other two were not. Wide public debate then ensued based on the factual information that had been provided by Treasury. Based on that debate a national tax summit was held and, as a consequence, a series of tax options were embraced and then legislated for.

That resulted in the most profound change to the modern day tax system that we have seen in recent times. There was no doubt the change was far reaching. A range of taxes were introduced that brought equity, transparency, simplicity and efficiency to the taxation system then. What they did not bring was a consumption tax. The critics of those changes say that they did not work. Well, they did work. What they did not do was bring a consumption tax. What those critics mean is that there should have been a consumption

tax. These are the consumption tax hawks that equate tax reform, in a quaint use of the meaning of the word 'reform', to mean a consumption tax. My contention is that that is not reform.

However, in the debate I participated in this afternoon there is one element of what I said that needs to be clarified. The Treasurer (Mr Costello) has published a booklet, according to evidence before the estimates committee, at a cost of \$10,000. There are 14,000 copies of this booklet in circulation. I might say that it is a very low cost for such a thick and glossy publication. Nonetheless, it has been costed by Treasury in evidence as \$10,000 for the 14,000 copies that have been circulated.

That book is not a book about the advantages and disadvantages of the tax system. It is not a balance sheet of good things and bad things. It is not an objective overview. It is not a book containing much detail. It is a book about what the problems are. It has been published, I would argue, to position public debate to think of only the bad things in the system and not the good things in the system.

One of the statements by the Treasurer in his introduction to that booklet is that Australia has a second-rate tax system. In estimates I questioned Treasury officials on that contention. I asked them if they could nominate a first-rate tax system, which country in their view has a first-rate tax system. They said that there was no country that had a first-rate tax system but that a number of countries had elements in their tax system of first-rate provision of taxes. A first-rate tax system, based on Treasury evidence, is a concept in the minds of some people as to what it should look like, but in reality there is no existing tax system in any nation in the world that they could point to as first-rate.

The other point about this statement was to explore with the Treasury officials, as I did in the estimates—and it is quite reasonable that I did—what they think is wrong with our tax system that causes it, in their view, not to be first-rate but to be second-rate. This is the point in my earlier remarks that I want to clarify. I do not have the actual quote before me but it is in the *Hansard*. Dr Ken Henry, who is the chairman of the Prime Minister's

secret task force on tax and an officer of Treasury, gave evidence that he thought those words about second-rate tax system referred to the indirect part of the tax system.

The indirect part of the system of course does not represent the whole tax system. The indirect part of the tax system in total represents 30 per cent of the tax system. If one talks about the impact of wholesale sales taxes, as I did in my earlier remarks, that represents only 10 per cent of the tax system. At best we have from the leading professional in the public sector, who is the champion on tax reform and the chairman of the task force, a definition of what the government means when the Treasurer says that the tax system is second-rate.

He is not referring to it all. He is not referring to any other country that is better than us. He is referring to some nebulous concept that is not defined or spelt out. He is certainly not referring to the whole of the tax system. He is referring, according to this evidence, to the indirect part of the tax system which is, according to the statistics for wholesale sales tax, only 10 per cent of the whole or, if you want to take a wider measure of indirect taxes, it is 30 per cent of the whole. It is 30 per cent of all taxes paid in Australia as indirect taxes. That is not to say all indirect taxes paid to the Commonwealth, because a number of indirect taxes are paid to the states and some indirect taxes in some cases are paid to other authorities as well.

Although there are no clear statistics on this, it is probable that about 25 per cent of the tax system presided over by the Commonwealth is indirect. The government, at public expense, is publishing a brochure to persuade Australians that we need wholesale reform of our tax system—in their terms and there is quaint use of the word ‘reform’—by the introduction of a GST because of what they perceive as problems with, at maximum, 25 per cent of the revenue base for the Commonwealth. I do not think that that is a sensible basis for making the claim that is made by this booklet. That is an important point in the debate which will engulf Australia between now and the next election.

It is very important that we have in the public domain a clear, objective, thorough going analysis of all of the issues of our taxation if we are to have the informational base upon which an informed public debate can ensue. If that is not in the public domain—and it is the government’s obligation to put it there—then we have a voodoo debate. We have a debate about allegations backed up without any independent reference to facts. If the options—and they are only GST options that the Prime Minister has commissioned from the secret tax task force—are released to us on the eve of the election, we have an ambush over tax. There is no opportunity for the electorate to come to a considered view about tax options.

Senator Heffernan—What about the Evatt Foundation?

Senator COOK—I take the interjection from Senator Heffernan regarding the Evatt Foundation. What about the Evatt Foundation?

Senator Heffernan—When will we see their options?

Senator COOK—When are we going to see the Evatt Foundation options? We will see those doubtless when the Evatt Foundation has concluded its investigation. But the onus on the government is not to ask what private sector funded foundations might be doing in order to try to bring some clarity to this debate; in the public interest the onus is on the government to make this a sensible debate for the country.

Why is the government spending taxpayers’ money to position voters to believe that there are faults with the Australian tax system which do not exist and which are sham? That is a manipulative approach by government. That is worthy of Goebbels in terms of positioning opinion in order to get the answer that you want. That is the problem with the course of action the government has embarked on. I wanted to clarify the figures on indirect taxes and on wholesale sales tax as a percentage of the whole, and I believe I have done that.

Gay and Lesbian Mardi Gras

Abortion

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (10.10 p.m.)—Tonight I wish to discuss the annual Gay and Lesbian Mardi Gras. I was honoured to be a part of that celebration on the weekend in what was a particularly important year for the mardi gras, being the 20th anniversary of the civil rights demonstration which basically began the mardi gras back in 1978. In fact, there were a large contingent of those people who were present in 1978—the 78ers—who marched for gay and lesbian rights, many of whom were beaten and arrested at that time. Fifty-three were charged and their names were published on the front page of the *Sydney Morning Herald* which led to many of them losing their jobs. Twenty years later, the 78ers were wildly and warmly welcomed by a crowd that I believe was estimated by police to be something like 700,000-strong.

There was also great applause for the New South Wales police. Apart from the 350 officers on duty on the night, who did a marvellous job I might say, members were allowed for the first time to march in the parade and they did so in uniform. The inclusion of groups such as the Uniting Church, the New South Wales Police Force and the Australian Democrats is important in showing that gays and lesbians are citizens, workers, parents, old, young, different races, disabled, et cetera—in short, representative of the Australian community as well as being fabulously dressed sequined party goers who happened to make the news on that particular night.

I would like to congratulate the organisers of the event as well as the several thousand gays, lesbians, drag queens, bisexuals, transvestites, transgenders, whatever, and the many family, friends and colleagues who marched, rode or danced the 2½ kilometres.

Senator Heffernan—Are you part of the brown-eyed chorus?

Senator STOTT DESPOJA—I do not know. Were you, Senator? The parade is an incredible, colourful and joyful spectacle. It

is full of creativity, energy and the culmination of much hard work. The three-hour parade with more than 270 floats this year was watched by around 700,000 spectators on the night and of course many would have viewed the television broadcast this evening. Mardi gras is not just the parade or the party later, which I note 21,000 people attended, but a month long festival which attracts thousands of tourists and millions of tourist dollars.

For some years now the Australian Democrats have participated in this event. We have always been proud as a party to support gays and lesbians and gay and lesbian issues. Those issues of gay and lesbian rights will continue to be an important part of our party policy. We will continue to push for the recognition of same sex couples and for an end to discrimination. We will continue to push for resourcing for the community to prevent the spread of HIV and AIDS.

I regret that there are some individuals, perhaps some even in the parliament, who condemn this particular community, who believe that AIDS is a punishment—some people even use religion in some cases to validate prejudice—and some who want homosexuality derided and hidden. There are many more who, while tolerating homosexuality, do not view gay and lesbian relationships with the same respect or support given without question to heterosexuals.

I was disappointed that for this year's mardi gras the Prime Minister (Mr Howard) did not send a message of support. He has noted on this occasion that he dislikes the parade because it ridicules people he respects such as fellow politicians. Indeed, I note a letter in the *Advertiser* has questioned my participation and that of my party in this parade because the writer claims it humiliates Catholic nuns. The humour of entries such as the Sisters of Perpetual Indulgence or the floats that mock public figures do attract a lot of, perhaps too much, attention. I certainly hope that the more than 50 overseas media contingents recognise the tongue in cheek nature of floats such as the float of the member for Oxley (Ms Hanson) because I think this humour is very Australian.

It should be acknowledged that politicians, the church and the clergy have been the targets of satirists and humorists for a long time, even before Mardi Gras existed. Of course, the *Goon Show* and Monty Python were mining this rich vein of comedy, and I do not believe that the Prime Minister or others perhaps have condemned them in the same way. In fact, I suspect that it is not so much the satire but the sexuality that upsets some people.

Neither politicians nor the clergy can be above criticism or satire. It is notable that the caricatures in the parade are very gentle figures of fun. Certainly, they are no more lethal than you will find in newspaper cartoons. I found that it is a night of joy, not of hate. I would also like to point out that, whatever those men who dress as nuns are trying to say about the Catholic Church, it is not necessarily nearly as rude or damaging as some of the comments that have come out of the church on occasions regarding homosexuals.

There will always be debate about whether religious morality of some should be forced by law upon all. This has arisen most prominently recently in the Western Australian debate about abortion. Around eight in 10 Australians believe that abortion is a matter that should be kept between a woman and her doctor. The arrest in Western Australia of doctors for performing abortions and the subsequent difficulties this will force on women seeking to terminate pregnancies is a terrible miscarriage of justice. The law that we are talking about in Western Australia is, I understand, over 100 years old. I do not believe it has even been acted upon for 35 years.

The Director of Public Prosecutions in Western Australia, John McKechnie QC, indeed holds a very narrow interpretation of this particular law. That is, abortion is only legal where the preservation of a woman's life is at stake—a very narrow interpretation indeed. We will see in the court cases against the particular doctors whether the courts agree with this kind of narrow interpretation. I hope they do not because, if they do interpret the law in such a narrow fashion, the laws in

Western Australia with regard to the availability of abortions will be as restrictive as countries like Cambodia, Afghanistan and the United Arab Emirates. These are not countries that are renowned for their support for women's rights, and I would hate Western Australia to be in the same category.

But the judges, of course, have the option to rule that abortion is lawful in that particular state on the request of the pregnant woman—in effect, the judicious legalisation of abortion. I believe that it is a political and a personal tragedy for women and doctors in Western Australia to be confronted at this time with punitive actions with regard to abortions. Individual women and, of course, many organisations representing women's and community rights have not been passive in response to this particular issue and situation.

I note that the *Australian* quoted a 74-year-old woman who attended her first ever demonstration outside the Perth courts when this issue arose. I would like to quote from her comments in the *Australian*. She said:

We are going back to the bad old days. If one of my children needed an abortion, I would want her to be safe. I would not want any girl to have her heart and body broken by backyard abortionists.

I assure those involved in this important fight that they have the support of millions of women across Australia and many men too, I presume, just looking at the research and the polling figures. I certainly send the solidarity of my party.

Western Australian coalition MPs will be casting conscience votes on this issue, and it will come up before the parliament, I understand, in the form of a private member's bill. Some 9,000 women each year in Western Australia have an abortion. They make a conscience vote, just as those women who decide to continue their pregnancies make a conscience vote. It is their conscience that should count in this circumstance. I believe very strongly that not only does the Western Australian case illustrate this fact but also that abortion must be taken out of the criminal codes altogether in this country.

Green Corps

Senator IAN MACDONALD (Queensland—Parliamentary Secretary to the Minister for the Environment) (10.19 p.m.)—Prior to the last election, the Liberal and National parties promised that, if elected, they would establish a Green Corps, a program giving young Australians the opportunity to make a contribution to their environment. Since that time, the Green Corps has been established and, I think, has been universally accepted as one of the great programs of the first Howard government.

Last weekend, the first annual conference of Green Corps delegates was held in Canberra. Green Corps, as you well know, Madam President, is run by the Australian Trust for Conservation Volunteers on behalf of the federal government. That group is a private group removed from government. The government actually tendered for a project manager, and ATCV won the tender. We did that specifically to make sure that the projects were selected by an organisation removed from government and by one that had expertise in getting young people—in the case of ATCV, older people, but, in the case of the government's Green Corps, young people—involved in volunteering for the environment.

The Hon. Tony Abbott my colleague, and I have responsibility within the government for overseeing the Green Corps, and it was Mr Abbott, ATCV and I who, last weekend, hosted the national Green Corps conference. There were 101 participants representing 71 past and current Green Corps teams from around Australia. These 17- to 20-year-olds volunteer to demonstrate their commitment to preserve and restore Australia's natural environment and cultural heritage. This is where this program is so good in that these young people are volunteers. Having volunteered, they do get the training wage and they do receive some training, but it is principally an environmental program offering young people the opportunity of volunteering to help the environment.

The conference last weekend not only provided an invaluable opportunity for delegates to share their experiences and to develop new skills but also provided participants with

an insight into the range of activities being undertaken across Australia to ensure that critical environment repair work is done. The official opening of the conference also gave the young people from right around Australia an opportunity to see the Green Corps in action.

The participants banded together to plant an area along the bank of Kippax Creek in the Bluedevil Grasslands in North Belconnen. The participants also removed willow from along the bank, investigated the water quality of the creek and surveyed the grass species in the area. I joined them, along with Mr Abbott and members of the local Landcare group, in assisting in that program last Sunday week.

A number of workshops were also held during the conference, providing participants with the opportunity to express their thoughts and ideas about the program. This was one of the ideas of having the conference—to get feedback from these young people, to see if there were ways that the program could be improved in the future and to let these young people have an input into the way they could best serve and help their environment.

I was able to join the participants for many of the workshops that were held. I was particularly pleased with the feedback not only from the young people but also from the trainers and supervisors from the Australian Trust for Conservation Volunteers. ATCV do an excellent job on behalf of the government. Last weekend, again, they showed their prowess in the way they coordinated the conference and got the maximum benefit for the young people attending. One of the major comments made by the young people at the conference was the feeling of satisfaction they gained from being involved with a project that had particularly strong environmental outcomes.

The conference was sponsored by private industry, and we were able to bring some of the leaders of Australian industry in to talk and interact with the young people. We were very pleased that Mr Gordon Davis, from Inctec; Mr Jerry Ellis, the Chairman of BHP; Mr David Murray, the Managing Director of the Commonwealth Bank; Dr Michael Deeley, from North Limited; and Mr Brian Scarsbrick,

the Chief Executive Officer of Landcare Australia were all able to speak at the conference. They and some other private businesses actually sponsored it, and the government and, I know, the Green Corps members are particularly grateful to those major Australian companies for their contribution.

The young people did not work all of the time. During the third day of the conference, they were treated to lunch in the Great Hall with the Hon. Peter Costello, the Treasurer, who gave to the Green Corps members a very encouraging speech on the future of the Green Corps. Two of the participants—Kellie Abercrombie, from Redcliffe, involved in the Mountains to Mangroves Green Corps project, and Travis Scicchitano, from Werribee, involved in the Werribee Zoo Basalt Plains Green Corps project—told us about their projects at the dinner and what the Green Corps had done for them. The young people then toured Parliament House and visited either Questacon or the Australian Institute of Sport and generally had a bit of time to have a look around Canberra.

The final workshop was opened by Professor Hugh Possingham, the professor of theoretical ecology at Roseworthy Agricultural College. His workshop brought together participants and professionals in the environment field to discuss what would happen after the young people left their Green Corps project.

At the end of the conference, there was a final group get together by the young people and they were asked to summarise what they had gained from the environmental and social perspective of the conference and their work with Green Corps. It was interesting that, on the environmental side, the young people were particularly keen about the knowledge they had gained about the environment, the techniques that were used, the outcomes from their work and, generally, how the environment had become such a major part of Australia and how they were part of that major part of Australian life.

On the social side, most of the young people particularly mentioned that the Green Corps project had given them a huge amount of confidence. A lot of them had come into

the project a little inward looking but, being with their peers, being in something they wanted to do and being in something they had volunteered to do had given them a great deal of confidence. We found from the previous Green Corps teams that most of them do go out and get very worthwhile jobs in the community and gain confidence in themselves and their future. Some of the members also mentioned that being in this group of 10 young people for a six-month period gave them some idea of the need for tolerance, of understanding other people's problems and of general life experiences.

Green Corps participants are very, very proud of the work they do for the environment. They do get annoyed with one or two politicians—and there are only one or two of them—who always seem to get up and criticise these young people. It is interesting to see how these young people react to some of these politicians who claim to be in tune with the young people around Australia. Those politicians should just have a talk to some of the Green Corps participants; then they would understand that these Green Corps participants love what they are doing. They have a real pride in it and they are very grateful for the opportunity of being able to do it.

It was interesting that, when Senator Hill came into the conference at the final session to wish the delegates well, he was greeted with spontaneous cheers and applause. That is rather odd for young people when greeting a politician of any sort, so it does demonstrate what they think of the work that Senator Hill has done in getting this Green Corps project going and of the contribution it enables these young people to make to their environment.

Senate adjourned at 10.29 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Aboriginal and Torres Strait Islander Commission Act—Review of electoral systems, dated November 1997.

Administrative Appeals Tribunal Act—Regulations—Statutory Rules 1997 No. 348.

- Aged Care Act—Determination under section—
44—ACA Nos 19/1997-22/1997.
48—ACA No. 19/1997.
- Aged or Disabled Persons Care Act—Determination No. 1997-98/ACC7—Guidelines No. 9BG 1 of 1998.
- Air Navigation Act—Regulations—Statutory Rules 1997 Nos 336 and 413.
- Airports Act—Regulations—Statutory Rules 1997 No. 367.
- Audit (Transitional and Miscellaneous) Amendment Act—Regulations—Statutory Rules 1997 No. 390.
- Australian Bureau of Statistics Act—Proposals Nos 1 and 2 of 1998.
- Australian Capital Territory (Planning and Land Management) Act—National Capital Plan—Approval of Amendment No. 20.
- Australian Federal Police Act—Regulations—Statutory Rules 1997 No. 375.
- Australian Hearing Services Act—Regulations—Statutory Rules 1997 No. 333.
- Charter of the United Nations Act—Regulations—Statutory Rules 1997 Nos 392 and 393.
- Child Care Act—Child Care Assistance (Fee Relief) Guidelines (Variation), dated 24 November 1997.
- Child Support (Assessment) Act—Regulations—Statutory Rules 1997 No. 374.
- Christmas Island Act—
Ordinance—No. 4 of 1997 (Applied Laws (Implementation) (Amendment) Ordinance 1997).
- Casino Control Ordinance—Re-appointment of Casino Controller, dated 16 December 1997.
Variation of order under section 6 of the Travel Agents Act 1985 (WA) (CI), dated 21 January 1998.
- Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—
Amendment of sections 40 and 82, dated 13 February 1998.
Directive—Part—
105, dated 5, 12 [4], 15 [4], 16 [5], 17 [7], 19 [4], 22 [3] and 24 [2] December 1997; 7, 8, 9, 15 [5], 16 [10], 19, 23 and 30 [3] January 1998; and 2, 5, 6 [4], 9 [3], 10 [5], 12 [7], 13 [6] 25 [6] and 27 February 1998.
106, dated 18 [2] November 1997; 2, 5, 8, 15 [2], 16 and 19 December 1997; and 6 and 12 February 1998.
107, dated 16 [2], 17 [2] and 19 [12] December 1997; 21 January 1998; and 6 [2], 12 and 25 February 1998.
- Exemption No.—
CASA 25/1997 and CASA 26/1997.
CASA 01/1998-CASA 03/1998.
- Instrument No.—
CASA 277/97 and CASA 296/97.
CASA 04/98, CASA 05/98, CASA 09/98, CASA 23/98, CASA 41/98, CASA 47/98, CASA 51/98, CASA 55/98 and CASA 61/98.
- Cocos (Keeling) Islands Act—Ordinance—No. 4 of 1997 (Applied Laws (Implementation) (Amendment) Ordinance 1997).
- Commerce (Trade Descriptions) Act—Regulations—Statutory Rules 1997 No. 334.
- Commonwealth Authorities and Companies Act—Regulations—Statutory Rules 1997 No. 391.
- Commonwealth Borrowing Levy Act—Regulations—Statutory Rules 1997 No. 337.
- Commonwealth Electoral Act—Regulations—Statutory Rules 1997 No. 411.
- Copyright Act—Declaration under section 10A, dated 5 January 1998.
- Currency Act—Currency Determination No. 1 of 1998.
- Customs Act—Regulations—Statutory Rules—1997 Nos 378-383, 385, 386 and 422.
- Defence Act—
Defence Force Remuneration Tribunal—Determination No.—
12 and 13 of 1997.
1-3 of 1998.
Determination under section—
52—Determination No. 1 of 1998.
58B—Defence Determination—
1997/43-1997/45.
1998/1 and 1998/2.
Regulations—Statutory Rules—1997 No. 389.
- Designs Act—Regulations—Statutory Rules 1997 No. 344.
- Endangered Species Protection Act—Declarations under section 18 amending Schedule 1—97/ESP3 and 97/ESP6.
- Excise Act—Regulations—Statutory Rules 1997 Nos 340, 384, 388 and 423.
- Export Control Act—Export Control (Orders) Regulations—Export Control (Fees) Orders (Amendment)—Export Control Orders Nos 9-11 of 1997.
- Export Inspection (Establishment Registration Charges) Act—Regulations—Statutory Rules 1997 Nos 360 and 407.

- Export Inspection (Quantity Charge) Act—Regulations—Statutory Rules 1997 No. 408.
- Export Inspection (Service Charge) Act—Regulations—Statutory Rules 1997 No. 361.
- Family Law Act—Regulations—Statutory Rules 1997 Nos 347 and 376.
- Federal Court of Australia Act—Rules of Court—Statutory Rules 1997 No. 425.
- Financial Management and Accountability Act—Financial Management and Accountability Orders 1997.
- Regulations—Statutory Rules 1997 No. 328.
- Fisheries Management Act—Regulations—Statutory Rules 1997 No. 410.
- Fuel (Penalty Surcharges) Administration Act—Regulations—Statutory Rules 1997 No. 387.
- Great Barrier Reef Marine Park Act—Regulations—Statutory Rules 1997 No. 326.
- Health Insurance Act—
- Regulations—Statutory Rules 1997 Nos 395 and 397.
- Statements [3] under section 106AA, dated 23 February 1998.
- Health Insurance Commission Act—Regulations—Statutory Rules 1997 Nos 332 and 396.
- Hearing Services Administration Act—
- Hearing Services (Participants in the Voucher System) Determination 1997 (Amendment No. 1 of 1997).
- Hearing Services Rules of Conduct 1997 (Amendment No. 1 of 1997).
- Immigration (Education) Act—Regulations—Statutory Rules 1997 No. 405.
- Income Tax Assessment Act 1936—Regulations—Statutory Rules—1997 Nos 338, 368 and 416.
- Income Tax Assessment Act 1997—
- Cultural Bequests Program Guidelines (No. 1) 1997.
- Cultural Bequests Program (Maximum Approval Amounts) Determination (No. 1) 1997.
- Industrial Chemicals (Notification and Assessment) Act—Regulations—Statutory Rules 1997 No. 419.
- Insurance Act—Regulations—Statutory Rules 1997 No. 369.
- International Air Services Commission Act—Regulations—Statutory Rules 1997 No. 412.
- International Organisations (Privileges and Immunities) Act—Regulations—Statutory Rules 1997 Nos 329-331, 352 and 394.
- Migration Act—
- Regulations—Statutory Rules 1997 Nos 354 and 402-404.
- Statements for period 1 July to 31 December 1997 under section—
- 345 [4].
- 351 [11].
- Motor Vehicle Standards Act—Road Vehicle (National Standards) Determination No. 2 of 1997.
- National Health Act—
- Declarations Nos PB 1, PB 2 and PB 4 of 1998.
- Determination No. PB 3 of 1998.
- Regulations—Statutory Rules 1997 No. 353.
- National Residue Survey Administration Act—Regulations—Statutory Rules 1997 No. 362.
- National Residue Survey (Game Animals) Levy Act—Regulations—Statutory Rules 1997 No. 358.
- Navigation Act—
- Marine Orders—
- Orders Nos 10-14 of 1997.
- Orders Nos 1 and 2 of 1998.
- Regulations—Statutory Rules 1997 No. 420.
- Nuclear Non-Proliferation (Safeguards) Act—Regulations—Statutory Rules 1997 No. 351.
- Patents Act—Regulations—Statutory Rules 1997 No. 345.
- Petroleum Retail Marketing Sites Act—Regulations—Statutory Rules 1997 No. 355.
- Plant Breeder's Rights Act—Instrument of Approval of Forms, dated 24 November 1997.
- Prawn Export Promotion Act, Prawn Export Charge Act and Prawn Boat Levy Act—Regulations—Statutory Rules 1997 No. 409.
- Primary Industries Levies and Charges Collection Act and Deer Slaughter Levy Act—Regulations—Statutory Rules 1997 No. 365.
- Primary Industries Levies and Charges Collection Act and National Residue Survey Administration Act—Regulations—Statutory Rules 1997 Nos 364 and 366.
- Primary Industries Levies and Charges Collection Act and National Residue Survey (Game Animals) Levy Act—Regulations—Statutory Rules 1997 No. 359.
- Primary Industries Levies and Charges Collection Act, Horticultural Export Charge Act and National Residue Survey Administration Act—Regulations—Statutory Rules 1997 No. 363.
- Primary Industries Levies and Charges Collection Act, Horticultural Levy Act and Horticultural Export Charge Act—Regulations—Statutory Rules 1997 Nos 335 and 406.
- Primary Industries Levies and Charges Collection Act, National Residue Survey Administration Act, Horticultural Export Charge Act and Horti-

- cultural Levy Act—Regulations—Statutory Rules 1997 No. 357.
- Public Service Act—
- Locally Engaged Staff Determination—
1997/37-1997/42.
1998/1-1998/4.
 - Parliamentary Presiding Officers' Determination No. 3 of 1997.
 - Public Service Determination—
1997/32-1997/35.
1998/1-1998/4.
 - Senior Executive Service Retirement on Benefit Determination—
1997/133-1997/146.
1998/1-1998/9.
- Quarantine Act—
- Quarantine Determination No. 4 of 1997.
 - Quarantine Proclamation No. 162A.
- Remuneration Tribunal Act—
- Determinations Nos 16-18 of 1997.
 - Regulations—Statutory Rules—1997 No. 418.
- Retirement Savings Accounts Act—Regulations—Statutory Rules 1997 No. 342.
- Retirement Savings Accounts Supervisory Levy Act—Regulations—Statutory Rules 1997 No. 417.
- Sales Tax Determination STD 98/1 and Addendum.
- Statutory Declaration Act—Regulations—Statutory Rules 1997 No. 339.
- Student and Youth Assistance Act—Regulations—Statutory Rules 1997 Nos 341 and 373.
- Superannuation Act 1976—Regulations—Statutory Rules 1997 No. 327.
- Superannuation Contributions Tax (Assessment and Collection) Act—Regulations—Statutory Rules 1997 No. 370.
- Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act—Regulations—Statutory Rules 1997 No. 371.
- Superannuation Industry (Supervision) Act—Regulations—Statutory Rules 1997 Nos 343, 414 and 415.
- Sydney Airport Curfew Act—Dispensation granted under section 20—Dispensation No.—
13/97-18/97.
1/98.
- Taxation Determination—
TD 97/24 and TD 97/25.
- TD 98/1.
- Taxation Ruling—
SST 8.
TR 97/25.
TR 98/1.
- Telecommunications Act—
- Carrier Licence Conditions (Access and Roaming) Declaration 1998.
 - Carrier Licence Conditions (Optus Mobile Pty Ltd) Declaration 1997 (Amendment No. 1 of 1997).
 - Carrier Licence Conditions (Optus Networks Pty Ltd) Declaration 1997 (Amendment No. 1 of 1997).
 - Carrier Licence Conditions (Spectrum Re-allocation) Declaration 1998.
 - Carrier Licence Conditions (Vodafone Pty Limited) Declaration 1997 (Amendment No. 1 of 1997).
 - Determination under section—
51, dated 17 December 1997 and 12 January 1998.
95, dated 12 January 1998.
 - Regulations—Statutory Rules 1997 Nos 349, 350 and 377.
- Telecommunications (Interception) Act—Regulations—Statutory Rules 1997 No. 421.
- Telstra Corporation Act—Telstra Carrier Charges—Price Control Arrangements, Notification and Disallowance Determination 1997.
- Therapeutic Goods Act—
- Instrument of approval under section—
6AA, dated 15 January 1998.
23AA, dated 15 and 23 December 1997.
 - Regulations—Statutory Rules 1997 Nos 398-401.
- Trade Marks Act—Regulations—Statutory Rules 1997 No. 346.
- Veterans' Entitlements Act—
- Instruments under section 196B—Instruments Nos 1-12 of 1998.
 - Regulations—Statutory Rules 1997 No. 372.
- Wool International Act—Regulations—Statutory Rules 1997 No. 356.
- Workplace Relations Act—Regulations—Statutory Rules 1997 No. 424.

PROCLAMATIONS

Proclamations by His Excellency the Governor-General were tabled, notifying that he had proclaimed the following acts and provisions of acts to come into operation on the dates specified:

Antarctic (Environment Protection) Legislation Amendment Act 1992—Subsection 6(2), section 9, paragraph 12(3)(b), subsections 13(3) and (4) and 17(3), sections 18 and 27 and Part 4—1 March 1998 (*Gazette* No. GN 8, 25 February 1998).

Australia New Zealand Food Authority Amendment Act (No. 2) 1997—Items 1, 25, 27 to 39, 40, 42, 43, 46, 48 and 49 of Schedule 1—6 February 1998 (*Gazette* No. S 50, 6 February 1998).

Excise Tariff (Fuel Rates Amendments) Act 1997—31 January 1998 (*Gazette* No. GN 1, 7 January 1998).

Financial Management and Accountability Act 1997—1 January 1998 (*Gazette* No. GN 49, 10 December 1997).

Telecommunications (Interception) and Listening Device Amendment Act 1997—

- (a) items 6, 19, 20, 24, 25, 27 to 39 (inclusive) and 47 to 50 (inclusive) of Schedule 1;
- (b) Schedule 2;
- (c) items 1 to 8 (inclusive) and 11 to 13 (inclusive) of Schedule 3—

1 February 1998 (*Gazette* No. GN 3, 21 January 1998).

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Gun Buyback Scheme

(Question No. 696)

Senator Bob Collins asked the Minister representing the Attorney-General, upon notice, on 14 July 1997:

- (1) Has the Northern Territory Government paid compensation under the national gun buyback scheme to an individual collector for 22 Hispano-Suiza 20 millimetre wing mounted cannons.
- (2) When was the compensation paid and how much was paid for each weapon.
- (3) Is it correct that the total price paid was more than \$440,000.
- (4) Was compensation paid in Queensland for 15 Hispano-Suiza cannons; if so, when and how much was paid for each weapon.
- (5) Was the compensation paid to one individual.
- (6) Was compensation paid for similar weapons in Victoria; if so, when and how much was paid for each weapon.
- (7) Was the compensation paid to one individual.
- (8) Have any investigations been initiated to determine if there was any link between each of the compensation pay outs.
- (9) Is it correct that the weapons are not included on the valuation list released by the Commonwealth Attorney-General on 29 July 1996; if so, under what guidelines were the Northern Territory Police and other State jurisdictions able to make compensation determinations.
- (10) Who conducted the valuation of the cannons in the Northern Territory and when.
- (11) When, and how, did the Commonwealth first learn of the compensation pay outs in: (a) the Northern Territory for the cannons; and (b) other State jurisdictions for similar weapons.
- (12) What was the published selling price for the weapons as at 1 March 1996.
- (13) Has the Commonwealth required a uniform independent valuation procedure, that is, an independent valuation committee or other such body, to be adopted by each of the States and Territories under the gun buyback scheme for weapons valued at more than \$2,500; if so, what requirements are necessary under the procedure; if not, how has each State and Territory established its valuation procedures under the national gun buyback scheme for weapons valued at over \$2,500.
- (14) Do only newly prohibited weapons, listed on the valuation list of 29 July 1996, attract compensation under the guidelines established for the gun buyback scheme.
- (15) Is it correct that not all weapons previously banned or prohibited in Australia are contained on the list; if so, are the States or Territories which paid out compensation for any weapons not so listed liable for any compensation paid for unlisted weapons, rather than the Commonwealth.
- (16) With reference to a written response incorporated in Senate Hansard (18 June 1997, p. 3930) to a question without notice asked by Senator Bob Collins on 17 June 1997, in relation to gun control, in which it was stated: 'My Department advises that, at a recent meeting, some State officers associated with the administration of the firearms buyback scheme discussed with Commonwealth officers the eligibility of some weapons of warfare for compensation under the scheme': when was that meeting held and where.
- (17) Who attended the meeting and which officers from which State, or States, raised the concerns.
- (18) Given that it was also stated in the same answer referred to in (14) that 'Commonwealth officers subsequently wrote to all jurisdictions advising that the Commonwealth would not "reimburse on instruments of warfare, cannon (defined as a fully automatic weapon firing high-explosive rounds), heavy machine-guns and the like": does this mean that the Commonwealth does not intend to attempt to capture these weapons within the gun buyback scheme.
- (19) When was the correspondence sent and can a copy of the letter be provided.
- (20) Given that it was also stated in the same answer referred to in (14) that 'Further advice as to the attitude the Commonwealth will take to compensation for any payments that may have been made by the State and Territory jurisdictions in a bona fide but mistaken belief that weapons were within the scheme is in course of preparation': has this advice been completed; if so, when and has any decision been taken by the Commonwealth Government as a result of its receipt.
- (21) Will any legislative amendments be required at the federal level to accommodate any of the issues raised by the States or Territories in relation

to these matters; if so, has that legislation been drafted and when does the Government plan to introduce it in Parliament.

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

(1) Yes, compensation was paid by the Northern Territory Government for 23 Hispano-Suiza cannons.

(2) Compensation of \$20,000 for each cannon was paid in April and May 1997.

(3) The total price paid was \$460,000.

(4) Compensation was paid for five Hispano-Suiza cannons. The dates and amounts paid are as follows: 15 February 1997—3,200; 17 February 1997—3,300; 22 February 1997—3,750; 22 February 1997—4,000; 5 March 1997—3,500.

(5) No. The compensation was paid to four separate claimants.

(6) No.

(7) Not applicable.

(8) The Commonwealth has not undertaken an investigation to determine if there was any link between each of the compensation pay outs because there was nothing to suggest any such link. The Queensland Government has advised that in their view, there did not appear to be a link between the four claimants in Queensland, nor between them and the interstate claimants.

(9) It is correct that the weapons were not included in the Firearms Price List issued by the Commonwealth Government. Jurisdictions were able to make compensation determinations under the Compensation for the Surrender of Prohibited Firearms Guidelines issued by the Commonwealth Government—a copy is attached for information. Paragraph (vii) on page 2 states "Any prohibited firearm not listed may be submitted for valuation as above. If valued at over \$2,500, and not military-style, the owner can either accept the valuation or consign it for overseas sale as above. Owners of military-style firearms will not have the option of overseas sale."

(10) Valuation of the Hispano-Suiza cannons in the Northern Territory was carried out by two licensed firearms dealers who had been appointed by the Northern Territory Firearm Compensation Scheme to value surrendered firearms. The valuations were conducted on 7 April and 22 May 1997.

(11) The Commonwealth first learnt of the compensation payout for the cannons in the Northern Territory on 8 April 1997. Advice from other jurisdictions was obtained in June 1997.

(12) There was no published selling price for machine guns as at 1 March 1996.

(13) Information pertaining to each jurisdiction is as follows:

Northern Territory—all prohibited firearms were required to be valued by a licensed firearms dealer, who was approved as a valuer for the Firearm Compensation Scheme. Valuations were filled out on Statutory Declaration forms.

Queensland—a valuation panel of firearms dealers and police armourers was appointed. A Valuation Committee of three members drawn from the panel was formed to value firearms as required.

South Australia—a panel of at least 2 licensed firearms dealers or collectors were used to settle disputes or to value guns above \$2,500.

Australian Capital Territory—The ACT Government appointed an Independent Firearms Valuer to value firearms under dispute. Owners not satisfied with the valuation could take legal action (at own expense).

New South Wales—an Independent Valuation Panel consisting of 4 licensed firearms dealers, (2 of whom were reserve members nominated by the Firearms Dealers Association of NSW), and a police ballistics expert met weekly to consider all firearms valued in excess of \$2,500 and non-listed firearms.

Tasmania—an independent firearms valuer appointed by the Valuer General determined valuations. A second valuer has been appointed to assist with disputes.

Victoria—A Valuation Panel consisting of 6-8 experienced gunsmiths and/or Licensed Firearms Dealers and/or Guild members valued firearms when an owner disagreed with the value of a firearm valued at more than \$2,500, or when the firearm was not listed.

Western Australia—Licensed Firearms Dealers were appointed to value firearms when the owner disagreed with the value given to a firearm or when the firearm was not listed.

(14) No, see response to questions (9) and (13).

(15) Yes it is correct that not all weapons previously banned or prohibited in Australia were contained on the Firearms Price List. In relation to weapons not on the Firearms Price List, see the answers to questions (9) and (13). In relation to reimbursement for compensation paid for weapons previously banned or prohibited, see the answers to questions (20) and (21).

(16) The meeting was held in Canberra on 26 March 1997.

(17) The meeting was attended by the State and Territory Firearms Buyback Coordinators from all States and Territories. I am advised that questions about the eligibility of weapons of warfare for

compensation were raised by the representatives from Queensland and Tasmania.

(18) No. All firearms handed in have been surrendered under relevant State or Territory legislation and each jurisdiction has required surrender of any prohibited weapon.

(19) The correspondence was sent on 29 May 1997. A copy is attached.

(20) The Prime Minister gave policy approval for the proposed amendment to the National Firearms Program Implementation Act 1996 on 30 August 1997.

(21) Yes. A National Firearms Program Implementation Act 1997 has been passed to complement the National Firearms Program Implementation Act 1996. The 1997 Act provides a mechanism whereby approval can be given for the Commonwealth to reimburse compensation paid by a State for the surrender of firearm(s) whose surrender is consistent with the spirit of the national firearms program.

F2 Freeway

(Question No. 747)

Senator Murray asked the Minister representing the Minister for Transport and Regional Development, upon notice, on 21 August 1997:

(1) Is the Minister aware of plans to construct the F2 Freeway through a section of the Merri Creek in Melbourne.

(2) Is the Commonwealth committed to, or giving consideration, to funding the project, in whole or in part; if so, and given the documented environmental sensitivity of the area through which the freeway is proposed to go, will the Commonwealth be conducting a full environmental impact study of the project; if not, why not.

Senator Alston—The Minister for Transport and Regional Development has provided the following answers to the honourable senator's questions:

(1) The Minister is aware of a proposal to construct a new route for the F2 Freeway and that

the route may cross the Merri Creek area in Melbourne.

(2) The Commonwealth has committed \$0.2m for route identification works on this project. The Commonwealth has given no commitment to fund construction works.

Under Victorian legislation the Minister for Planning and Local Government recently determined that an Advisory Committee be established to examine possible route options and environmental issues associated with this project. The Advisory Committee will seek submissions from interested parties, including Commonwealth and State agencies, and may hold public hearings based on submissions received.

The Victorian Government has given an assurance that all Commonwealth environmental requirements including those under the Environment Protection (Impact of Proposals) Act 1974 will be addressed through the Advisory Committee process.

In the future should the Commonwealth commit to constructing the project, it would need to be fully satisfied with the process and findings of the Victorian Advisory Committee. Should the Commonwealth Minister for the Environment not be satisfied that Federal environmental legislative requirements have been met, he can determine that further assessment is required.

Department of Communications, The Information Economy and the Arts: Government Contracts

(Question No. 764)

Senator Robert Ray asked the Minister for Communications, the Information Economy and the Arts, upon notice, on 27 August 1997:

(a) What contracts has the department, or agencies of the department, provided to KPMG Peat Marwick since 3 March 1996; and (b) what has been the total cost of these contracts.

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

Question (a):

Company Name	Task Performed	Commissioned Cost \$
(1) KPMG Chartered Accountants Pty Ltd	Perform internal audit services including information technology, compliance and systems based audits for the Department'	100,000

Company Name	Task Performed	Commissioned Cost \$
(2) KPMG Management Consulting	Identify the options for the sale of Artbank and undertake an assessment of the market and the financial implications of each sale option	61,000
(3) KPMG Chartered Accountants Pty Ltd	Provide business advice in relation to the scoping study into the feasibility of privatising Film Australia	75,000

Question (b): The total commissioned cost was \$236,000.

Department of Transport and Regional Development: Grants and Programs

(Question No. 797)

Senator O'Brien asked the Minister representing the Minister for Transport and Regional Development, upon notice, on 2 September 1997:

(a) What programs and/or grants administered by the portfolio provide assistance to people living in the following federal electorates: Bass, Denison, Franklin, Lyons and Braddon; and (b) what was the level of funding provided through the programs or grants to each electorate for each of the 1994-95, 1995-96, 1996-97 financial years; and (c) what level of funding was budgeted for in each programs or grant to each electorate for the 1997-98 financial year.

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

Programs which have administered funding to Tasmanian electorates are—

Program: Land Transport

(a) The Australian Land Transport Development program which is funded under the Australian Land Transport Development (ALTD) Act provides full funding for the construction and maintenance of road works on the National Highway in Tasmania. The NH System in Tasmania constitutes the Midland Highway between Hobart and Launceston and the Bass Highway between Launceston and Burnie. The National Highway passes through the electorates of Denison, Lyons and Bass and Braddon. It does not pass through the electorate of Franklin.

(b) National Highway funding in Tasmania under the ALTD program is not based on electorate shares, instead it is directed to individual projects on the Bass and Midland Highway that benefit the residents of all electorates. A breakup by electorates therefore is not possible. Tasmanian National Highway funding is as follows:-

1994/95—\$28.542 million; 1995/96—\$30.850 million; and 1996/97—\$33.900 million.

(c) 1997/98—\$27.177 million.

Program: Regional Development (a), (b) and (c)

Program/Project	Electorate	Funding Profile			
		1994-95	1995-96	1996-97	1997-98
Better Cities I	Denison	\$1,334,000	\$1,175,000	\$1,586,000	\$0
	Bass	\$2,697,000	\$728,000	\$1,500,000	\$0
Better Cities II	Denison	\$0	\$70,000	\$75,000	\$0
	Franklin	\$0	\$60,000	\$100,000	\$0
	Bass	\$0	\$40,000	\$30,000	\$0
Inveresk Railyards Redevelopment Project	Bass	\$0	\$0	\$1,642,000	\$4,480,271
Rail Reform Transition Program	Not applicable ⁽¹⁾	\$0	\$0	\$1,027,000	See Note 2

Program/Project	Electorate	Funding Profile			
		1994-95	1995-96	1996-97	1997-98
Regional Economic Development	Not applicable ⁽³⁾		\$160,000	\$182,000	\$78,000
Tamar River Environs Project	Bass, Lyons ⁽⁴⁾	\$0	\$0	\$693,000	\$1,000,000

Notes

1. This program is designed to ameliorate the impact of Tasrail's restructure and subsequent sale. The location of specific expenditure will be dependant upon identification of suitable projects.
2. \$10 million has been budgeted for the RRTP in 1997-98. The disbursement of this allocation is yet to be determined but it will be dependant upon the number of jobs lost as a direct result of the sale of AN and the ability of the economy to absorb the losses.
3. Regional economic development funding is to the Tasmanian Regional Development Organisation which encompasses all electorates in Tasmania.
4. The Tamar River is the boundary for these electorates.

Program: Maritime

(a), (b) and (c)

No records of programs or grants administered by Maritime for individual electorates are kept. Details of the programs/grants to Tasmania are as follows:

Tasmanian Freight Equalisation Scheme (TFES)

The TFES provides assistance to help alleviate the inter-state freight cost disadvantage incurred by shippers of goods produced in Tasmania for use or sale on the mainland and to shippers of raw materials and equipment inputs to mining, manufacturing and primary production in Tasmania. Assistance payments are made direct to the claimant office address which are located anywhere within

Australia and not necessarily in Tasmania. Records are not maintained by the Department on specific electorate payments. The following table lists the large claimants which received in excess of \$100,000 and these represent 85% of total TFES payments.

Bass Strait Passenger Vehicle Equalisation Scheme (BSPVES)

The BSPVES provides a rebate against the fare charged by the ferry operator for the driver and passenger vehicle to travel by sea across Bass Strait. Passengers who are eligible for the rebate pay the ferry operator their reduced fare and the Commonwealth then reimburses the ferry operator on a monthly basis. In effect, receipt of the rebate is across a range of Australian travellers. Payments records by electorate are not maintained. The bulk of BSPVES reimbursements are made to the TT Line in Devonport (\$8,402,615 to TT Line and \$880 to Southern Shipping in 1996-97).

Bass Strait Passenger Fuel Oil Subsidy Agreement

Payments reflect an agreement between the previous Commonwealth Government and the Tasmanian Government, under which the Commonwealth agreed to provide \$1.2 million over four years to alleviate the cost impact on Bass Strait passenger services of the 1993-94 budget's increase in fuel oil excise. The agreement ran from 1 September 1993 until 31 August 1997. Payment was made to the Tasmanian Government who in turn distributed the funds to the appropriate passenger service. Payment records by electorate are not available. A maximum of \$51,272 is payable for fuel oil consumed in the period 1 July to 31 August 1997.

Program	1994-95	1995-96	1996-97	1997-98 estimate
TFES	\$39,499,996	\$42,672,754	\$41,199,999	\$35,200,000
BSPVES	nil	nil	\$8,403,495	\$11,200,000
Bass Strait Passenger Fuel Oil Subsidy Agreement	\$411,624	\$371,103	366,000	\$51,273

Government Contracts

(Question No. 829)

Senator Faulkner asked the Minister representing the Attorney-General, upon notice, on 3 September 1997:

(1) What contracts for public relations services has the department or its agencies signed since 3 March 1996.

(2) What was the value of each contract.

(3) Did the value of any contract vary from the original cost; if so, what was the reason for the price variation.

(4) How many of the contracts in (1) were awarded following an open tender process.

(5) Where there was no tender process, what assessment criteria were followed in selecting the contractor and why was the normal practise of calling tenders not followed.

(6) Did the department seek guidance from the Office of Government Information and Advertising before signing the above contracts; if not, why not.

(7) How many journalists were employed by the department as at 3 March 1996.

(8) How many journalists are currently employed by the department.

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

(1) One contract was signed with the consultancy Burson-Marsteller, for public relations work in support of the Australian Firearms Buyback Public Education Campaign.

(2) Up to \$450,000.

(3) A total of \$326,409.26 has been paid to Burson-Marsteller. In July 1997 the Department and Burson-Marsteller met and agreed that Burson-Marsteller's work on the Australian Firearms Buyback Public Education Campaign was satisfactorily complete.

(4) None.

(5) DAS selection processes were followed.

(6) Yes.

(7) Seven.

(8) Six.

Aboriginal and Torres Strait Islander Commission: Public Relations Contracts

(Question No. 831)

Senator Faulkner asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 3 September 1997.

(1) What contracts for public relations services has the department, or its agencies, signed since 3 March 1996.

(2) What was the value of each contract.

(3) Did the value of any contract vary from the original cost; if so, what was the reason for the price variation.

(4) How many of the contracts in (1) were awarded following an open tender process.

(5) Where there was no tender process, what assessment criteria were followed in selecting the contractor and why was the normal practice of calling tenders not followed.

(6) Did the department seek guidance from the Office of Government Information and Advertising before signing the above contracts; if not, why not.

(7) How many journalists were employed by the department as at 3 March 1996.

(8) How many journalists are currently employed by the department.

Senator Herron—The Aboriginal and Torres Strait Islander Commission has provided the following information in response to the honourable senator's questions:

(1) Since 3 March 1996 up until the present, there have been ten (10) contracts entered into relating to the provision of public relations services, the details of which are on the attached spreadsheet.

(2) The value of each contract is also detailed in the attachment.

(3) Yes, of the ten contracts there were three contract variations. These variations were required so that the contracted services could continue while the Commission went out to tender for services.

(4) Eight contracts were awarded following the prescribed tender process and two were awarded outside of the tender process.

(5) In the first instance (A110/97) the normal practice of calling tenders was not followed as the co-ordinator of the ATSIC Wik Team wavered the proposed procurement method used to select suitable consultants under \$30,000 due to the availability of a suitable expert consultant who had had extensive experience in providing media and public relations services in the native title area.

In the second instance (A333/96) the prescribed tendering process was not followed due to the specialised nature and urgency of the work involved. The task was to commence two days later, and a suitable (non-candidate) indigenous person was available to undertake this work.

(6) The Commission did not seek guidance for these contracts. Advice provided from the Office of Government Information and Advertising (OGIA)

indicated that the Commission, due to its status as a statutory authority, is not obliged to approach OGIA for guidance.

(7) The Aboriginal and Torres Strait Islander Commission as at 3 March 1996 employed five (5) journalists in Central Office and five (5) state based journalists.

(8) The Aboriginal and Torres Strait Islander Commission currently employs seven (7) journalists in Central Office and five (5) state based journalists.

Australian Securities Commission

(Question No. 866)

Senator O'Chee asked the Minister representing the Treasurer, upon notice, on 17 September 1997:

(1) Did the Australian Securities Commission (ASC), either by one of its officers or by counsel on behalf of the commission, represent to the Federal Court of Australia in Brisbane, in a hearing in respect of case QG3004/92 *Australian Securities Commission v Aust-Home Investments Limited and Others* on either 17 or 18 March 1992, or on 1 April 1992, that the ASC would proceed to the trial of those proceedings at the earliest date; if so, can the transcript of the representation made to the court be provided.

(2) Did the ASC, either by one of its officers or by counsel on behalf of the commission, represent to the Federal Court of Australia in Brisbane, in a hearing in respect of case QG3004/92 on either 18 March or 23 April 1993, that the ASC had completed its investigation of the matter and that it intended to commence criminal proceedings in respect thereof; if so, can the transcript of the representation made to the court be provided.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

(1) I am advised that ASC staff have examined the transcripts of the hearing in question, and can find no such representation.

(2) I am advised that ASC staff have examined the transcripts of the hearing in question, and have found that on 18 March and 23 April 1993 the ASC's counsel did comment on the status of the ASC investigation.

I understand that, consistent with Federal Court practice, transcripts of the hearings in question are normally only available to the parties to the hearing. I also understand that the release of transcripts to a third party may be possible, however, this would be a matter which the Senator would need to raise with the registrar of the Federal Court.

Nursing Homes

(Question No. 898)

Senator Lees asked the Minister representing the Minister for Family Services, upon notice, on 7 October 1997:

(1) With reference to a problem with national uniformity in nursing home regulations: given that in Tasmania, for instance, costs for basics such as heating are higher than on the mainland and the price of food is higher than most other capital facilities; given that workers' compensation is different in different States and costs to employers are different; given that housing prices also vary widely from State to State and in some States the housing market has collapsed; and given that people in such States will not be able to sell their homes or may not get a high enough price if they do sell to enable them to pay an accommodation bond.

How will all of these issues be brought together in a national framework so that conditions in one State do not fall behind those in another.

(2) (a) Does the Minister acknowledge there are very few respite beds in nursing homes, despite the growing need for such beds, as community care packages ensure people can be supported in their own homes; (b) is the Minister aware that nursing homes cannot afford to have a bed left empty for urgent respite care; and (c) is the Commonwealth prepared to directly fund respite beds.

(3) Given the complicated method of assessing how much money people entering into a nursing home should be paying and that it can be 8 weeks before the nursing home gets confirmation of the correct amount:

Will the Minister consider streamlining this process so that over-payments or reimbursements are minimised.

(4) (a) How will the process of accreditation be carried out; and (b) will individual nursing homes have any input into the process.

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

(1) There is some variation in costs between States, with costs in particular States higher in some areas and lower in others. Historically, nursing home funding has taken account of major areas of variation, for example in the costs of nursing and personal care staff and related costs, while hostels have been paid at a national rate. Consistent with the aligned funding arrangements across nursing homes and hostels, State specific funding rates will gradually move towards the national average. This will take place over a period

of 7 years to allow nursing home providers time to adjust.

In determining the period over which the movement to uniform national rates would take place, the Government has sought to take account of the overall impact of the reform package on nursing homes in all States, and to do so in a way which avoids unnecessary disruptions to care services for residents.

In order to assist facilities to adjust to the changes as gradually as possible, the Government has provided for relatively small initial movements to the national average in the early years when movement of residents to the new classification instrument is taking place and while the income from accommodation charges is still building up.

Under the changes to the policy announced by the Government accommodation bonds will no longer be paid by nursing home level residents. Therefore, the question of nursing homes residents not being able to sell their home for enough to pay a bond no longer arises.

Facilities which care for people who cannot afford accommodation charges or can only afford a modest charge, benefit from additional subsidies of \$7 per bed day where up to 40% of residents are "concessional" (i.e. have less than the minimum permissible asset value). A higher subsidy of \$12 per bed day is payable where more than 40% of residents are concessional. There are also hardship provisions that allow properties that are difficult to sell to be disregarded in the assessment of eligibility for concessional resident subsidies. A capital program of \$10 million per annum has been maintained specifically to assist rural and remote facilities. These arrangements, together with a viability supplement that will be paid to small and isolated facilities, will provide additional income to assist facilities in rural areas and areas with a difficult housing market.

(2) (a) Respite services encompass a wide range of types including "in home" respite, centre based respite and residential respite. Each has its place in meeting the needs of carers for a break. Through to the end of 1996/97 around 2.5% of nursing home beds were available for respite usage. However, only 41% of these places were utilised for respite care.

Over the last few years there has been a general increase in the provision of community based respite and the Government in its first budget announced additional funding of \$36.7 million over 4 years to expand respite services and improve the co-ordination of services and access to services by carers, including access to residential respite where this is the appropriate option.

(b) The Government has taken steps to ensure that nursing home respite is more attractive to aged

care facilities, and therefore more available. These measures include removing administrative complexities, increasing the respite supplement and establishing Carer Respite Centres in over 57 metropolitan and rural regions. The Carer Respite Centres coordinate respite care, ensuring that aged care places are available to carers needing this assistance. They will liaise with the residential sector to secure available places and will refer people to residential facilities thereby lessening the concern of proprietors in having a place that will not be used.

(c) The Commonwealth funds usage of respite beds by providing additional supplements for their occupancy by a respite resident. It supports full occupancy through respite booking services managed by Aged Care Assessment Teams and Carer Respite Centres, both of which can enter into close working relationships that effectively mean full occupancy can be achieved. In these circumstances it is not necessary to directly fund respite beds in nursing homes irrespective of their occupancy.

(3) The Government has responded to concerns about the implementation of income testing by announcing that it will not commence until 1 March 1998 and that it will apply only to new residents who enter facilities from that time onwards.

The details of the income testing process, including the arrangements for fees and subsidies for new residents who have not received notification of their correct fees, have been worked out in consultation and supported by consumer and industry groups including the Australian Pensioners' and Superannuants' Federation, the Australian Council of the Ageing and the Carers' Association.

Officers of the Departments of Health and Family Services, Social Security/Centrelink and Veterans' Affairs have been working together for over a year to streamline the income testing process. Centrelink (formerly the Department of Social Security) already has in place income assessments for over 90 per cent of residents who are pensioners, as well as for non-pensioner residents who have a Seniors Health Card. Once the provider notifies Health and Family Services that the resident has entered the service, the correct fees for pensioner residents can be notified within a few weeks.

For the small minority of non-pensioners, the process can take longer, because their income needs to be assessed. However, a period of eight weeks would be unusual. Centrelink advises that, once non-pensioner residents have lodged their income assessment forms, processing of the income assessment is normally completed within three weeks. Experience to date has shown no evidence of

delays in assessment once residents have lodged their forms.

The Department of Health and Family Services has written to providers explaining the income testing process and recommending that, in order to avoid overpayments, they should charge residents a provisional fee pending assessment which is in line with their likely correct fee. Providers have been notified of the average fees for full pensioners, part pensioners and non-pensioners, and a ready reckoner is being made available for providers to set provisional fees as close as possible to the correct amount. 4.

(4) (a) The accreditation process will involve assessment of a service's performance against the five key areas of the accreditation framework:

- . the accreditation standards;
- . building quality as measured by the certification instrument;
- . compliance with prudential requirements;
- . concessional resident ratios; and
- . commitment to user rights.

The process will include both a desk audit and a site audit, and publication of accreditation decisions.

(b) Each service can decide when to apply to the Aged Care Standards and Accreditation Agency for an accreditation audit between January 1998 and December 2000. Consistent with quality assurance management practices, services will be encouraged to conduct a self-assessment before applying for accreditation.

When applying for accreditation, services will have a choice of auditors from either Agency employed auditors or qualified independent auditors who must be certified and registered by the Quality Society of Australasia (QSA).

Services will be able to appeal accreditation decisions.

Department of the Prime Minister and Cabinet: Qualitative and Quantitative Research

(Question No. 902)

Senator Robert Ray asked the Minister representing the Prime Minister, upon notice, on 16 October 1997:

(1) What qualitative or quantitative research has been undertaken by the Department and its agencies since 3 March 1996.

(2) What was the nature of the research undertaken (sample sizes, questionnaire length, evaluation) and to whom were the results of the research available.

(3) In each instance, which firm or firms have been engaged to undertake this work.

(4) In each instance, what has been the cost of the work undertaken.

Senator Hill—The Prime Minister has provided the following answer to the honourable senator's question:

All responses deal only with research conducted by external organisations.

Department of the Prime Minister and Cabinet

(1) (a) A client satisfaction survey was undertaken in August 1997 as part of a review of the Department's corporate and support services.

(b) Research was commissioned in support of a national information campaign for the Regional Forests Agreements (RFAs) process and outcomes.

(c) to (j) Eight qualitative research projects were commissioned relating to a range of issues affecting women at home and in the workplace.

(k) and (l) Two opinion surveys regarding attitudes relating to the reconciliation process were commissioned on behalf of the Council for Aboriginal Reconciliation.

(m) Research was undertaken for the preparation of the document "Republic—yes or no?".

(2) (a) All staff in the department were invited to fill out a questionnaire. 200 questionnaires were returned. The results were made available to Departmental staff.

(b) The research involved nine focus groups located in Sydney, Perth, Melbourne, Hobart, Launceston, Eden, Grafton, Brisbane and Orbost. The focus groups were conducted during October and November 1996. Each group was composed of nine to ten people, with roughly equal numbers of men and women. The groups also covered a wide range of ages and income. Groups were asked 17 questions relating to forests, forest policy and their understanding of the RFA process and outcomes.

The final report was provided to the Department of the Prime Minister and Cabinet and made available to the Department of Primary Industries and Energy, Environment Australia and the offices of the Prime Minister, the Minister for Primary Industries and Energy and the Minister for the Environment. The report was provided to the Senate Rural and Regional Affairs and Transport Committee in April 1997, and was also provided to Paul Daly of the Sunday Age in response to a request under the Freedom of Information Act.

(c) Research into the establishment of procedures and structures to develop a funding submission for a national network/association of sexual assault services. This resulted in the production of a business plan which was available to the former Minister Assisting the Prime Minister for the Status

of Women and the National Association of Services Against Sexual Violence.

(d) Research for the development of two information papers, "Women's Participation on the Commonwealth and Private Sector Boards" and "Women in Public and Private Sector Senior Management". These papers are not yet publicly available.

(e) Research for the development of a national rural domestic violence information kit, which is available on request.

(f) Detailed research on women in small business for the production of a report, which is not yet publicly available.

(g) Research for the preparation of a discussion paper on women in decision making for the 1997 Australian Women's Round Table meeting. The discussion paper was initially used for discussion by participants of the Round Table, but is now publicly available.

(h) Research into the connection between the existence of violence in a relationship and economic outcomes for women post separation or divorce. This research is currently under way.

(i) Research into Division 11 of the Family Law Act, with the aim of resolving inconsistencies between State family violence orders and the Family Law contact orders. This research is currently under way.

(j) Research into the needs of women experiencing domestic violence who do not use domestic violence and related crisis services. This research is currently under way.

(k) Supplementary opinion-survey research into attitudes in the Australian community about indigenous citizenship rights and a document of reconciliation on behalf of the Council for Aboriginal Reconciliation. This research was follow-up to an earlier larger qualitative study in December 1995 on issues relevant to the reconciliation process.

A sample size of approximately 90 people in 11 groups was used, the questionnaire length for each group was from one and a half to two hours duration. The evaluation was supplied in the report from the researchers. The report was made available to the Council for Aboriginal Reconciliation, relevant departmental officers, Members of Parliament, journalists, researchers and members of the public on request.

(l) Quantitative opinion-survey research into attitudes in the Australian community about issues relevant to the reconciliation process. The sample size was 1,250 people.

The questionnaire consisted of 25 questions asked via telephone interviews. The evaluation was made in the report by the researchers. The report was made available to the Council for Aboriginal

Reconciliation, relevant departmental officers, Members of Parliament, journalists, researchers and members of the general public on request.

(m) The research consisted of focus group and protocol testing of the document to ensure it was clear and easy to comprehend. Four groups of 7-8 participants with roughly equal numbers of men and women took part in the focus group testing, located in Parramatta. Four people took part in protocol testing of the material. An evaluation of the results of the testing was prepared by the consultant and made available to the Department of the Prime Minister and Cabinet and the Special Minister of State. The outcomes resulted in improvements to the text.

(3) (a) Ernst and Young

(b) Keys Young Pty Ltd

(c) Community Solutions

(d) Dr Clare Burton

(e) Loddon Mallee Women's Health Inc

(f) Professor Leonie Still

(g) Dr Clare Burton

(h) Dr Kate Funder, Australian Institute of Family Studies

(i) Kearney McKenzie and Associates

(j) Keys Young Pty Ltd

(k) and (l) Brian Sweeney and Associates

(m) Golsby-Smith and Associates

(4) (a) The cost of the survey was not separately identified within the total consultancy fee.

(b) \$36,284 (plus out of pocket expenses incurred by the consultant).

(c) \$24,000

(d) \$26,000

(e) \$30,000

(f) \$22,700

(g) \$4,750

(h) \$15,000

(i) \$17,806

(j) \$40,000

(k) \$37,488

(l) \$64,000

(m) \$12,390

In respect of the agencies within the Prime Minister's portfolio:

Office of the Commonwealth Ombudsman

(1) The Commonwealth Ombudsman has undertaken two client satisfaction surveys.

(2) The Ombudsman's annual client satisfaction survey seeks to gauge the expectations and satisfaction levels of clients who have contacted the office.

The results of the survey are used to identify practices and procedures which could be modified to enhance client satisfaction.

The sample size achieved in 1996 was 1,051 respondents while 1,046 respondents participated in 1997.

In both 1996 and 1997, two questionnaires were used depending on the type of contact the client made with the Office. One questionnaire (used for most clients of the Office) comprises 32 separate questions while the other comprises 30 separate questions. Several questions ask the client to respond to more than one statement.

The 1996 and 1997 surveys were analysed and reports produced. An overview of the survey results is published each year in the Ombudsman's annual report while more comprehensive information is circulated to staff within the Office.

(3) AGB McNair (now called ACNielsen McNair).

(4) 1996—\$11,150; 1997—\$9,600.

Office of the Official Secretary to the Governor-General

(1) One research project was undertaken to review the Office's functions.

(2) The survey was a review of organisation and staffing which involved interviews with the 79 staff of the Office. The report was provided to the Official Secretary and was subsequently released to all staff.

(3) Crosstech Pty Ltd

(4) \$30,393

Aboriginal and Torres Strait Islander Commission

(1) (a) An evaluation into the level of access by Torres Strait Islanders residing outside the Torres Strait, to government programs and services (except those administered by ATSIC).

(b) An analysis and projection of the extent of job needs in the Aboriginal and Torres Strait Islander community.

(c) A range of general research, conducted by the Centre for Aboriginal Economic Policy Research (CAEPR) in the areas of business, economic development, employment, and economic implications of native title.

(d) A survey to identify the costs and benefits of means testing indigenous clients seeking legal aid from Aboriginal and Torres Strait Islander Legal Services.

(e) A Needs Survey of Indigenous Community Languages in 1996/97.

(f) A number of research projects conducted by the National Technology Resource Centre (NTRC) at the Centre for Appropriate Technology (CAT) in Alice Springs.

(g) A number of studies into the location, suitability and strategies for use of groundwater in association with the Australian Geological Survey Organisation (AGSO).

(h) A costing of the backlog of indigenous housing needs in Australia.

(i) Research into waste water in the Anangu Pitjantjatjara lands.

(2) (a) The project methodology was to issue a survey document to each of the State/Territory governments, relevant Commonwealth departments in Canberra and selected local governments. Several community-based Torres Strait Islander organisations were also surveyed. This was followed up by an interview with departments and organisations that agreed to be interviewed.

The results of the project will be published by CAEPR in early 1998 as a public document.

(b) The analysis and projection of the extent of job needs in the Aboriginal and Torres Strait Islander community was to establish the estimated costs of indigenous unemployment, for the next ten years, based on consensus data. The results were incorporated in a report, "The Job Ahead: Escalating Costs of Indigenous Employment Disparity" which is a public document and available in print as well as on the Internet.

(c) The research covers a wide range of topics. The methodology also varied depending on each topic. The resultant 39 discussion papers, 24 issues briefs and various monographs produced during the period from March 1996 to date, are public documents and available from CAEPR. A list of CAEPR publications is available on the Internet under the ANU address.

(d) The survey was to identify the costs and benefits of means testing indigenous clients seeking legal aid from the Aboriginal and Torres Strait Islander Legal Services. 183 clients were surveyed over the period of one month (7 April to 7 May 1997) in a number of rural and remote locations in the Katherine region. The survey was by way of completion of a standard client sheet which incorporated a simple means test. The evaluation of the survey results have not been completed as this was the first of a number of pilots. The evaluation of this pilot and subsequent pilots when completed will form the basis of a report to the ATSIC Board.

(e) ATSIC-funded regional language centres were identified as sponsor organisations to carry out a survey to establish the extent of indigenous language needs. 150 survey booklets were sent out to all language centres and organisations for completion. 120 were returned (80%). 42 questions were asked ranging from the number of language speakers to language use, materials produced for language in education to interpreting and translating issues. At this stage the results are only available

to the contributors as an analysis and evaluation of the results is currently being undertaken. The final product is intended to assist in the development of an indigenous language policy.

(f) Major research activities carried out by CAT/NTRC for 1996-97 include:

- development of Aboriginal and Torres Strait Islander technical training quality measures;
- improved processes for building procurement and management in remote communities;
- establishment of an Aboriginal and Torres Strait Islander Women's Technology Network (WTN);
- research and development of Renewable Energy Systems;
- research into the adequacy of water supplies and the development of robust, reliable water treatment facilities; and
- development, appraisal and monitoring of technologies, including such things as washing machines, stoves/ovens, refrigerators/freezers, hot water services, sink plugs and batteries in order to improve their design, reliability and extend their effective life.

Results of the research were made available to ATSIC and directly to Aboriginal and Torres Strait Islander communities and relevant State and Commonwealth government agencies and institutions interested in appropriate technology.

(g) Research activities included:

(i) a study on the assessment and management of groundwater resources throughout central Australia; and

(ii) sustainability of groundwater supplies in the Anangu Pitjantjatjara Lands, South Australia.

Results of the research were made available to the participating communities and government agencies.

(h) The research activity was to develop current costings of the backlog of indigenous housing needs based on relevant regional quantitative survey data and using the analysis of need *The Housing Need of Indigenous Australians, 1991*, by Roger Jones drawn from the 1991 Census. The costings were made available to ATSIC to provide information to the Commissioners, the Minister and for public enquiries.

(i) Detailed monitoring and testing of performance of waste water management systems in central Australia. Results of the research are made available to ATSIC, relevant communities and the South Australian and Northern Territory Governments.

(3) (a) to (c) The Centre for Aboriginal Economic Policy Research (CAEPR) based at the Australian National University.

(d) The Katherine Regional Aboriginal Legal Aid Service.

(e) 15 Aboriginal Community Language Centres were strategically chosen as being representative of indigenous communities and provided with funds to engage local consultants directly to conduct the language needs survey. The consultants were: G Atkinson, B Redfern, N Lee, O Robinson, F Tapim, D Cornthwaite, R Wallace, S Smythe, I Alexander, R Handelsmann, M Walsh, L Johnson, L Turner, A Marding, D Newry.

(f) The Centre for Appropriate Technology.

(g) The Australian Geological Survey Organisation.

(h) The Australian Valuation Office.

(i) Healthabitat, The University of Wollongong.

(4) (a) \$21,265

(b) Research costs of \$8,450. The total cost of the project, including printing and publication costs, was \$12,600.

(c) \$555,760 for calendar year 1996 and \$556,760 for calendar year 1997.

(d) \$21,050

(e) \$273,280

(f) Approximately \$350,000 per annum.

(g) (i) \$272,000 over three years to 1996/97; and

(ii) \$196,000 for the period 1996/97 and 1997/98.

(h) \$10,000

(i) \$60,000

Public Service and Merit Protection Commission (PSMPC)

(1) (a) Development of the Public Sector Recruitment Questionnaire.

(b) Market research and analysis of a range of services and products provided by the PSMPC in relation to management development and APS staff redeployment.

(c) Benchmarking of Human Resource services in the following agencies:

AusAID;

Australian Securities Commission;

Comcare;

Department of Primary Industries and Energy;

Insurance and Superannuation Commission; and

Australian War Memorial.

(d) Evaluation of GAA and PAT Program Pilot 1995.

(2) (a) The questionnaire was evaluated by a sample of 3000 applicants for APS entry level positions and 1,000 people working in the APS, by correlating questionnaire responses with ratings of work performance. The questionnaire originally had

about 300 items and after evaluation resulted in the final selection instrument comprising 138 items. The technical report will be available on request.

(b) A cross section of clients were invited to participate in focus groups or to be interviewed individually on the quality of the services and products. Approximately 50 clients were approached. The results will be available to staff at the PSMPC.

(c) The research involved the completion of a questionnaire involving qualitative and quantitative questions in each of the main areas of Human Resource service. The results of the research were primarily used by each agency to compare to 'best practice' Human Resource services and other benchmarked agencies.

(d) Two research phases were undertaken for the evaluation of GAA and PAT Program Pilot 1995. The first phase was qualitative and comprised 59 in-depth interviews in four states using a common questionnaire. The second phase was qualitative and comprised 385 telephone interviews. The results of the research were made available to members of the Joint APS Training Council.

(3) (a) Macquarie University, School of Psychology.

(b) Hill and Knowlton Public Affairs.

(c) Deloitte Touche Consulting Group.

(d) Minter Research.

(4) (a) \$38,770

(b) \$40,000

(c) \$70,000 shared between the agencies involved.

(d) \$69,643

Department of Work Place Relations and Small Business: Research

(Question No. 907)

Senator Robert Ray asked the Minister representing the Minister for Workplace Relations and Small Business, upon notice, on 16 October 1997:

(1) What qualitative or quantitative research has been undertaken by the Department and its agencies since 3 March 1996.

(2) What was the nature of the research undertaken (sample sizes, questionnaire length, evaluation) and to whom were the results of the research available

(3) In each instance, which firm or firms have been engaged to undertake this work.

(4) In each instance, what has been the cost of the work undertaken.

Senator Alston—The Minister for Workplace Relations and Small Business has provided the following answer to the honourable senator's question:

The Department and its agencies have undertaken the following external research since 3 March 1996: Department of Workplace Relations and Small Business

Small Business Characteristics and Conditions

(1) Updating statistical information that has been released over the past year and providing commentary on these statistics.

(2) The project included analysis on small business confidence and expectations based on national surveys in the context of the general economic outlook. Information on the subject of financing small business, and the particular role of banks was also provided. The results of this research will be published as a chapter in the 1997 Annual Review of Small Business which is expected to be tabled in Parliament. The Annual Review will be available for purchase from Government Info Shops.

(3) Access Economics Pty Ltd was engaged to undertake this work.

(4) The cost of the work was \$7,000 in consultancy fees.

Conduct Business Longitudinal Survey (BLS)

(1) The Australian Bureau of Statistics (ABS) was contracted to provide a business longitudinal survey of approximately 6,000 small businesses for 1996-97 and to progressively prepare a database of linked unit records from the previous two years survey to facilitate the longitudinal analysis of the data. There are a number of aspects of the work, including:

- . processing the results from the 1995/96 survey results;
- . examining the business exits from the 1995/96 survey;
- . examining and report on the feasibility of capturing and recording changes of ownership in the survey;
- . conducting the 1996/97 survey, including questionnaire design, dispatch and follow-up;
- . tabulating output from the 1996/97 exits survey;
- . establishing a database to provide output from the 2 surveys to date;
- . providing information and results in a format that allow a State comparisons of the results; and
- . providing administrative support for the various tasks listed above.

(2) The research aims to gather data on the behaviour and performance of firms over five years. The survey's main objective is to provide information to examine the relationship between the characteristics and behaviour of firms and their performance. The intention is to provide both data that are directly relevant to policy makers and that can be used by firms for benchmarking their performance and output.

The survey is mailed to around 6,000 firms, predominantly small firms once a year, for five years. While there are 12 different forms, to allow for differences between industries and the differences between manufacturing and service firms, the standard form is around 16 pages long, containing around 70 questions (although because the questions are sequenced according to the characteristics of a firm, so no firm would answer all of the questions). The form typically takes around 90 minutes to complete.

The BLS is unique—no other country conducts an economy-wide longitudinal survey which collects the range of data that is obtained from the BLS. It has a set of core questions which are asked each year. This set includes questions on employment, income, value of exports, major changes, expectations, participation in government programs, expense items, financial structure and innovation. In addition, the BLS has the capacity to address different topics each year. The once-off topics have included franchising, characteristics of sole decision makers, performance comparisons, training, family business, and business links.

The results of the 1994/95 BLS were published in "A Portrait of Australian Business", available for purchase through Government Info Shops. The results and analysis of subsequent collections of the BLS are also to be published and available to the public.

(3) The ABS has been engaged to undertake this work.

(4) The cost of the contract for 1997/98 is \$662,160.

Technical Management of the BLS.

(1) The technical management of the BLS involves the provision of expert advice and assistance to the OSB in the development, collection and analysis of the BLS.

The research that is undertaken by the technical manager primarily involves the analysis and presentation of data collected by the ABS in the BLS and other related ABS surveys.

(2) In 1997/98, B.D. Consulting was required to undertake a number of tasks including:

- . development of the 1996/97 questionnaire;

- . providing a statistical report which presents results of firm's growth from the 1994/95 survey;
- . providing specifications for reports that present 1995/96 survey results;
- . liaising with the ABS on the survey's progress; providing advice and assisting the Office of Small Business with servicing the BLS Technical Committee;
- . examining ways of providing access to unit record data;
- . assisting in the dissemination of the 1996/97 results and consult on new topics; and
- . developing a list of possible new topics for the 1997/98 survey.

(3) B.D. Consulting Pty Ltd has been engaged to undertake this work.

(4) The cost of the contract for 1997/98 is \$70,780.

Venture Capital Fund for Early-Stage Technology Commercialisation

(1) The OSB commissioned researchers to construct a financial model of the prospects and viability of a venture capital fund which specialised in the financing of early-stage, technology-based firms.

(2) The research primarily involved the modelling of decision trees in conjunction with probability analysis on spreadsheets. The research produced a sophisticated spreadsheet model which allows the user to identify the key parameters and relationships determining the long-term economic viability of a specialist, early-stage technology-based venture capital fund. The model also allows the user to conduct sensitivity analysis of these key relationships and parameters.

The report and a copy of the model (on computer disk) are soon to be released through Government Info Shops.

(3) The model and an accompanying report have been completed by Dr Gordon Murray, Warwick Business School, with financial modelling being undertaken by Mr Richard Marriott of Altair Financial Services.

(4) The cost of the project in 1997/98 was \$8,000 (an additional \$8,000 was paid in 1996/97 when the OSB was part of the Department of Industry, Science and Tourism).

(1) Australian Workplace Industrial Relations Survey 1995 (AWIRS 95)

(2) This research project commenced in 1994 and was completed in 1997. The AWIRS 95 involved four surveys: a main survey of 2001 workplaces with 20 or more employees; a panel survey of 700 workplaces; an employee survey of 19,000 employ-

ees; and a phone survey of 1075 workplaces with between 5 and 19 employees.

The questionnaires were administered face to face for the main and panel surveys, involving interviews of around half an hour with the general manager, an interview of around one and a half hours with the manager most responsible for industrial relations, and if present at the workplace, an interview of around one hour with a union delegate. The employee survey was a self-completion questionnaire that took around 15—20 minutes to complete. The small workplace survey was administered by phone to the general manager and took on average about 20 minutes to complete.

The results of the survey relating to enterprise bargaining were reported in the 1995 Enterprise Bargaining Report. The Report was tabled in Parliament in October 1996 and then made available for sale. The main overall findings from the survey were written up by officers within the Department of Workplace Relations and Small Business and published as a book 'Changes at Work: the 1995 Australian Workplace Industrial Relations Survey 1995' (Addison Wesley Longman 1997) which was launched on 29 August 1997. This book is for sale at major book shops at a recommended retail price of \$45. The data sets from the survey have been released through the Social Science Data Archives at the Australian National University and are publicly available for use at a cost of \$260.

(3) As at 3 March 1996 the fieldwork for the survey was completed and analysis by officers within the Department of Workplace Relations and Small Business had commenced. Firms engaged since 3 March 1996 for AWIRS were:

- . Intstat Pty Ltd assisted with cleaning the data for analysis purposes and managing the data sets.
- . Communication Partners assisted with editing drafts of the book and preparing the index.
- . Chris Wright prepared the bibliography for the book and assisted with the chapter end notes.
- . ANUTECH consultants analysed the open ended question in the employee survey where employees made comments in their own words on their working lives.
- . Temporary staff were hired to assist with preparing the data for analysis.
- . Timothy O'Leary evaluated and cleaned the guides prepared to use the data.

(4) The cost of the work undertaken on AWIRS since March 3 1996 was approximately \$85,000 for Intstat; \$22,700 for Communication Partners; \$4950 for Chris Wright; \$4976 for ANUTECH; \$3,180 for Timothy O'Leary; \$1499 for temporary staff. This totals \$122, 305.

(1) Survey of unfair dismissal in small business

(2) Seven questions about unfair dismissal laws were added to the Yellow Pages Small Business Index Survey. The Index uses a panel of around 1,200 randomly selected small business proprietors (employing less than 20 people) who are interviewed by telephone every three months. The seven questions were added only to the October 1997 survey. The research results will be made available to Labour Ministers' Council.

(3) Brian Sweeney and Associates were engaged to add the questions to the survey and provide the results.

(4) The cost of this research is \$5,500.

Affirmative Action Agency (AAA)

(1) Since 3 March 1996 quantitative research has been undertaken in the Affirmative Action Agency on two occasions by an external consultant. The research comprised analysing data contained in the affirmative action reports (AA Reports) lodged by organisations covered by the Affirmative Action (Equal Employment Opportunity for Women) Act 1986 (the Act).

(2) The two research projects addressed approximately 2,700 AA reports lodged by organisations covered by the Act (organisations with more than 100 employees within the private sector including higher education institutions, non-government schools, trade unions and community organisations). The AA reports used for analysis are submitted in a standard survey form of 20 pages. The AA reports contain statistical information regarding employment of men and women within the organisation. The results of the research undertaken were published in the Affirmative Action Agency's Annual Report and in other Agency publications such as Good Ideas. The data is also provided to specific organisations covered by the Act or their representative organisations on request.

(3) Dr Martin Watts of Economic Outlook Pty Ltd was contracted on both occasions to analyse the data provided in the AA reports and to provide a written report on his findings.

(4) The costs for analysis of the data referred to in question 1, 2 and 3 for the period since 3 March 1996 are \$750.00 in September 1996 and \$1,500.00 in October 1997. Payments were made to Dr Martin Watts of Economic Outlook Pty Ltd.

Comcare

(1) (a) Analysis of disputed claims in Comcare;

(b) Employee survey to contribute to a risk identification and assessment tool for productivity loss arising from occupational stress; and

(c) Benchmarking of human resource services.

(2) (a) 16 categories of data were collected from approximately 2,800 cases. The results of the

research were for internal use by Comcare to use in work on the development of alternate dispute resolution mechanisms.

(b) The research consisted of a survey totalling 80-90 questions. The results were made available to those agencies who participated. Outcomes of this consultancy will be reflected in a Better Practice Guide on the Management of Occupational Stress to be provided to all Commonwealth agencies in the near future.

(c) All Comcare staff were surveyed. The total number of questions in the survey was 118. This was internal research for use by Comcare Executive.

- (3) (a) Transformation Management Services
- (b) Young Resources (NSW)
- (c) PSMPC (Deloitte Touche Tohmatsu)
- (4) (a) \$19,675.00
- (b) \$32,631.00
- (c) \$10,000.00
- (d) \$102,000.00

National Occupational Health and Safety Commission (NOHSC)

(1) (a) Survey of small business perceptions of OH&S needs;

(b) Evaluation of Standard for Manual Handling and its associated Code of Practice;

(c) Identification of barriers to implementation of known OH&S solutions in small Business;

(d) Evaluation of the impact of targeted interventions on the OHS behaviours of small Business building industry owners/managers/contractors;

(e) Effects of Outsourcing upon OHS: a comparative study of factory-based and outworkers in the clothing industry;

(f) Survey of worker exposure to sulphuric acid mists in Australia;

(g) Survey of the whole body vibration exposure in the mining industry.

(2) (a) The results of the survey will be available to FAI and NOHSC for internal information and planning.

(b) The evaluation will provide internal documents for use by NOHSC member agencies;

(c) The results of the research into the identification of known OHS solutions in small business will be available to the public;

(d) The results of the evaluation of the impact of targeted interventions on the OHS behaviours of small business building industry owners/contractors/managers will be available to the public;

(e) The results of the research into the effects of outsourcing upon OHS will be available to the public;

(f) The results of the survey of worker exposure to sulphuric acid mists will be available to the public;

(g) The primary report of the survey of whole body vibration exposure will be available to the Joint Coal Board, NSW.

(3) (a) The research is being undertaken in collaboration with FAI and Niki Ellis & Associates Pty Ltd;

(b) David Caple and Associates;

(c) The research is being undertaken in collaboration with a Division of Workplace Health and Safety, Queensland (DWHS);

(d) The research is being undertaken in collaboration with the Department of Training and Industrial Relations, Queensland (DTIR);

(e) The research is being undertaken in collaboration with the University of NSW, Australian Chamber of Manufacturers, Asian Women at Work Network, and TCFUA;

(f) The research is being undertaken in collaboration with NSW WorkCover;

(g) The research is being undertaken in collaboration with AR Technology, Acoustics and Vibration Centre and DFA.

(4) (a) \$6, 060

(b) \$82, 966.25

(c) In house salaries and costs only.

(d) In house salaries and costs only.

(e) In house salaries and costs only.

(f) In house salaries and costs only.

(g) In house salaries and costs only.

Australian Maritime Safety Authority

National Plan to Combat Pollution of the Sea by Oil

(1) The Australian Maritime Safety Authority (AMSA), managing agency for the National Plan to Combat Pollution of the Sea by Oil, signed a contract on 6 May 1996 with the Australian Institute of Marine Science to undertake a two year research program into the use of bioremediation to clean up oil spills.

(2) The project aims to determine the effectiveness, cost and the potentially negative impacts of bioremediation in sensitive tropical foreshore habitats on a range of common oil types transported in Northern Australian waters; provide draft policies and guidelines on the use of bioremediation within sensitive mangrove and saltmarsh habitats; and undertake a critical review of existing methods and techniques.

The Bioremediation process involves the adding of fertilisers or other materials to contaminated environments, such as oil spill sites, to accelerate the natural biodegradation process.

This project will involve both laboratory and field research in the use and optimisation of bioremediation.

Progress reports on the project are reviewed by a Steering Committee comprising the funding agencies + Energy Research and Development Corporation (ERDC), AMSA, Australian Institute of Petroleum (AIP), Environment Australia as well as the Great Barrier Reef Marine Park Authority (GBRMPA) and Queensland Department of Transport (QDoT).

The project is scheduled to be completed by mid 1998 and the full report will be issued in the 'National Plan'. This is a public report which is due to be published at the end of 1998.

(3) The Australian Institute of Marine Science (AIMS) has been contracted to undertake the project. International expertise is being provided to AIMS by AEA Technology of the UK, a world leader in the use of bioremediation technology in oil spills.

(4) The total cost of the project is \$199,136. AMSA will contribute \$57,988.

The Impact of AMSA Charges on the Shipping Industry

(1) AMSA commissioned a survey to determine the impact of AMSA charges on the shipping industry.

(2) Australian and foreign ship-owners, operators, managers and agencies were given the opportunity to provide input through a questionnaire of 28 questions requiring a response in dollar terms. Responses were received from seventeen organisations involving twenty-nine ships.

The survey evaluated the costs of AMSA levies and services provided by AMSA as an overall percentage of the industry's total cost for a twelve-month period ending 30 June 1996.

The results of the survey were made available only to AMSA; however, results of future surveys will be made available to those organisations that respond to the survey.

(3) The survey was undertaken on AMSA's behalf by Apelbaum Consulting Group Pty Ltd.

(4) The cost of the survey to AMSA was \$18,960.00.

Review of AMSA Levies

(1) In January 1997 AMSA commissioned a review of the Marine Navigation Levy, Marine Navigation (Regulatory Functions) Levy and Protection of the Sea Levy.

(2) An Issues Paper was prepared and forty major stakeholders were approached to provide written submissions to the review. The stakeholders included the main shipping and user organisations, representative organisations of the fishing industry and yachting interests, relevant Commonwealth Government departments and agencies and the Association of Australian Port and Marine Authorities. Responses were received from eleven organisations.

The purpose of the review was to establish a set of principles for cost recovery of those AMSA activities financed by the levies; and identify appropriate pricing options and to consider alternative methods of collection. The review was to have regard for the views of AMSA stakeholders and consider the overriding importance to AMSA of resources obtained from the levies.

The results of the review were made available to AMSA and a small number of respondents to the review. A copy was provided to the then Minister for Transport and Regional Development.

(3) The review was undertaken on AMSA's behalf by Mr Rae Taylor AO.

(4) The cost of the review was \$28,000.

Regulatory Assessment Review

(1) An independent assessment of the strategic and tactical approach that AMSA uses in meeting its statutory responsibilities and its regulatory based duty of care in respect to ship and personnel safety.

(2) Reviews were conducted of implications of recent aviation and maritime safety reports/inquiries; of legislative and corporate planning bases and administrative procedures. Detailed interviews were conducted within AMSA and with external stakeholders (shipping industry peak bodies, major ship operators/agents and major classification societies).

The results of the review were distributed to key industry stakeholders.

(3) This review was undertaken by Thompson Clarke Shipping Pty Ltd of Melbourne on behalf of AMSA.

(4) Fee \$33,000; disbursements \$2,750.

Qualifications Function Review

(1) An independent review of the effectiveness and efficiency of the management and administration of AMSA's safety role in the setting and maintenance of maritime competency standards and seafarer certification.

(2) Practices and procedures were evaluated in terms of efficiency and effectiveness and developments in vocational education and licensing. Internal stakeholders were consulted.

Results were made available to AMSA.

(3) The review was undertaken by Voiced Consultancy Services of Canberra on behalf of AMSA.

(4) Fee \$10,800; disbursements \$1,468.

Research Program: Port State Control Impacts Studies

(1) An investigation of the impacts of AMSA's port State control program on the availability of ships and on freight rates in the iron ore loading ports of Western Australia.

(2) Part of a series of studies commenced in 1995. An analysis of the activity of the fleet of Capesize dry bulk carriers in loading in Pacific and Atlantic ports in March 1996 and June 1997.

Results were distributed to other maritime administrations and key Australian and overseas industry stakeholders.

(3) The review was undertaken by Simpson Spence and Young Consultancy and Research Ltd of London on behalf of AMSA.

(4) The cost was for 1996: \$7874 and for 1997: \$9,077.

Attitudes to Port State Control Study

(1) A survey of user attitudes towards Australia's port State control regime.

(2) A questionnaire was devised that sought to establish the knowledge, attitude and approach to Australia's port State control system of a representative cross-section of shipowners, charterers, operators, ship brokers and others. 89 questionnaires were dispatched and 37 responses received. Results received late October 1997 have not as yet been distributed.

(3) The study was undertaken by Simpson Spence and Young Consultancy and Research Ltd of London on behalf of AMSA.

(4) The cost was \$13,123.

Significant Wave Height Study

(1) The task was to evaluate instrumentation and procedures and data used connected with a heavy weather sea trial undertaken in Storm Bay, Tasmania, in relation to the trial of a Liferaft Survival Systems Australia survival raft system; and to provide an opinion on the likely significant wave height at the time of the test.

(2) The research involved the evaluation of instruments, methodologies employed and alternative data sources.

Results were made available to AMSA and Incat Tasmania Pty Ltd, Tasmania and to the University of Melbourne for academic purposes.

(3) Dymarine Consultants ACT with Fast Ship Group, Faculty of Engineering, University of

Melbourne undertook this study on behalf of AMSA.

(4) Fee \$3,660; disbursements \$2,889.

Staff Satisfaction Issues Survey

(1) A survey of staff regarding satisfaction specific to the needs and issues of the Ship and Personnel Safety Services Business Unit, AMSA.

(2) A questionnaire based on issues developed through focus groups. Results were made available to AMSA staff.

(3) The survey was undertaken by Morgan and Banks Ltd, Canberra on behalf of AMSA.

(4) Cost: \$6,800.

Fatigue Aspects of the Work Practices of Australian Coastal Pilots

(1) AMSA is conducting a study into fatigue aspects of the work practices of Australian coastal pilots.

(2) A literature review is currently being undertaken together with analysis of data held by AMSA on voyages conducted by pilots over the 18-month period from January 1996 to June 1997. This will identify priorities for further research.

It is planned that results will go to pilot stakeholders and to national and international maritime industries.

(3) The School of Human Movement Studies at the Queensland University of Technology is undertaking the study.

(4) The estimated project cost is \$100,000.

Research Program: Fatigue Stress and Occupational Health in the Australian Maritime Industry

(1) AMSA commissioned a study into the fatigue, stress and occupational health in the Australian maritime industry.

(2) An initial literature search was followed by job task and health analysis (ie, of the jobs people do on board ships) directed at identification and evaluation of stress and fatigue factors from which a questionnaire was developed. The questionnaire was circulated to all sea going personnel, and the responses have been analysed. A report is now being printed.

The report will go to the maritime industry and the international shipping community, including the International Maritime Organization (IMO).

(3) The School of Human Movement Studies at the Queensland University of Technology was contracted to undertake the study.

(4) The cost of the work undertaken up to 19 August 1997 is \$235,512.

Research Program: Analysis of MV Giga 2

Analysis of MV Giga 2 bulkhead failure on 5 November 1996 in Port Kembla, as part of the

investigation by the Marine Incident Investigation Unit (MIU), under the Navigation (Marine Casualty) Regulations.

Finite element analysis into the strength of the collapsed bulkhead. The report was provided to the Inspector of Marine Accidents and included as an Annex in the 'Incidents at Sea' Report. This report was released publicly.

Professor Paul Grundy, Department of Civil Engineering, Monash University.

(4) Cost: \$18,500

Office of the Employment Advocate

1. Testing of AWA Employer Filing Application forms.

2. Employers and employer representatives were asked to complete draft versions of the AWA Employer Filing Application forms. Testing was carried out to help ensure that the forms are 'user-friendly' and able to collect the required information.

The forms are used to collect information which is used in the AWA filing and assessment process. The Part 1 Employer Details form contains 17 questions about the employer's business and the process through which the AWA was provided to the employee. The Part 2 Employee Details form contains 30 questions about the employee and the provisions of the AWA.

Two rounds of testing were conducted, with approximately 15 participants in each round.

The results of the testing are commercial-in-confidence and are not generally available.

3. The testing was carried out by Robert Barnett and Associates, the firm engaged to undertake the forms design work.

4. The cost of the forms testing cannot be disaggregated from the overall cost of the forms design. The total cost of the forms design was \$15,420.00

Kingfisher Bay Resort Village

(Question No. 922)

Senator Faulkner asked the Minister representing the Treasurer, upon notice, on 21 October 1997:

(1) In May 1990 did the then Treasurer, Mr Paul Keating, decline a proposal by Recruit Cosmos Co Ltd to establish a joint venture company for the development of the Kingfisher Bay resort Village project on Fraser Island.

(2) Is it a fact that a further application, this time by Cosmos Australia Pty Ltd, a wholly owned subsidiary of Recruit Cosmos, was declined on 17 June 1994 by then Treasurer, Mr Ralph Willis, who issued an order under the foreign Acquisitions and

Takeovers Act 1975 prohibiting Cosmos Australia from acquiring any interest in the Kingfisher Bay resort.

(3) Did Mr Willis find that the proposed acquisition by Cosmos Australia would be contrary to the national interest, given that its parent company, Recruit Cosmos, had been at the centre of one of Japan's largest and most public political bribery and corruption scandals, for which the principals are still being pursued through the Japanese courts.

(4) Is the Treasurer aware that Cosmos Australia has now succeeded in acquiring the Kingfisher Bay Resort and Village, through purchasing the company which had a lease over the land, acquiring the management rights to the resort and, finally, sponsoring and funding an arrangement to establish a straw company through which ownership is exercised.

(5) Are these arrangements known to the Foreign Investment Review Board.

(6) What action is being taken: (a) to require the Recruit Cosmos subsidiary and its straw company to divest its interest in the Kingfisher Bay Resort and village; and (b) to prosecute the company and the directors of the straw company for blatantly breaching the Foreign Acquisitions and Takeovers Act, and for thumbing their noses at the Prohibition Order issued in June 1994; if no action is being taken, why not.

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

(1), (2) & (3) During the early 1990s, some proposals by Recruit Cosmos (and its associate companies) to increase its interest in the Kingfisher Bay Resort Village were rejected under foreign investment policy, on the grounds that they raised issues considered to be contrary to the national interest. Other proposals were withdrawn.

(4), (5) & (6) The investigation of these matters by the relevant authorities has yet to be completed.

Nam Theun 2 Hydropower Project in Laos

(Question No. 924)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 21 October 1997:

With reference to the reports that Transfield expects the Export Finance and Insurance Corporation (EFIC) to finance part of the debt for the Nam Theun 2 hydropower project in Laos:

(1) (a) What kind of assistance has been requested from EFIC; (b) for what amount of money; (c) when was the request made, and by whom; and (d) when will a decision be made.

(2) Is EFIC considering offering political and/or commercial risk insurance to Transfield Holdings.

(3) Given that, in performing its functions, EFIC is obliged to have regard to Australia's obligations under international agreements, including the International Covenant on Civil and Political Rights, the Convention on Biological Diversity, the Ramsar Convention and others: (a) can a list be provided of the dates and documents that demonstrate that EFIC has complied with this requirement; and (b) can copies of the documents be provided.

(4) What measures have been taken to ensure that the social, environmental and economic impacts of the project have been scrutinised.

(5) What kind of assistance has the Australian Embassy in Vientiane been providing to the Nam Theun 2 hydropower project and the Xe Kaman 1 hydropower project.

(6) What kind of assistance has Austrade been providing to the Nam Theun 2 hydropower project and the Xe Kaman 1 hydropower project.

(7) (a) Have AusAID funded positions in the Hydropower Project Office assisted the development of Nam Theun 2 and/or Xe Kaman 1 hydropower projects; and (b) to what extent.

(8) What is the Australian government's position on World Bank guarantees and funding for Nam Theun 2 hydropower project.

(9) Does the Australian Government believe that Australian companies should adhere to Australian social and environmental standards in their overseas operations.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator's question:

(1) (a)—(c) There have been a number of discussions between EFIC and the Transfield Group, and other likely participants, about finance and/or insurance facilities from EFIC that might be applied in support of Australian involvement in the proposed project. A request for facilities of approximately US\$100 million was foreshadowed. Discussions have not advanced to the point of a specific request for support being made of EFIC.

(d) There is no proposal before EFIC requiring decision.

(2) Refer to answer in part (1) above.

(3) EFIC has not been required to complete due diligence in relation to the proposed project at this stage. As a preliminary step EFIC, on 22 September 1995, notified the potential project under the Environmental Protection (Impact of Proposals) Act.

Documents cannot be provided. Under the EFIC Act, EFIC officers are subject to strict confidentiality obligations concerning client information.

(4) Refer to answer to part (3) above.

(5)—(6) The Austrade Trade and Investment representative, in conjunction with other officers of the Australian Embassy in Vientiane, has provided general assistance to the Australian partners of project consortia developing both the Nam Theun 2 project and Xe Kaman 1. This assistance has included providing briefing about political and economic developments in Laos, in particular with regard to the hydropower sector, and performing representational functions such as attending signing ceremonies and, where appropriate, promoting the interests of project partners to Lao Government and other interlocutors. Of the two projects, Nam Theun 2 has been the most resource intensive—in part because this project represents a larger investment, also because the Australian project developers (Transfield) have more actively solicited Australian Government support, and because the project is more complex and has a higher profile than Xe Kaman 1 due to proposed World Bank involvement. Austrade has not provided any services on a fee-paying basis for either project.

(7) The Australian Government aid agency, AusAID, has provided funding for four advisory positions in the Laos Hydropower Project Office (HPO), through the United Nations Development Program (UNDP). A long term Power Development Adviser and two short term advisers in cost engineering and financial assessment have been provided. A long term environment adviser will also be recruited in the near future.

The Laos HPO has the responsibility of assessing commercial proposals to develop hydropower in Laos. The HPO lacks the skills and experience to properly assess the hydropower proposals to ensure that the people of Laos receive a fair return from the utilisation of a major resource, and that all environmental, social, legal and technical concerns are met.

The work carried out by the AusAID funded advisers has assisted the Government of Laos to properly assess proposed projects.

(8) The Australian Government's position has been to welcome and encourage proposals for World Bank involvement in Nam Theun 2. The World Bank's association with this project will enhance the project's reputation as a BOOT (build, own, operate, transfer) scheme run according to rigorous international standards. World Bank involvement will ensure that the project is developed responsibly, that the Lao Government's interests are well looked after and that it will derive the maximum benefit from the project.

(9) The Australian Government believes that Australian companies should operate within the law in Australia and overseas.

Taxation

(Question No. 925)

Senator Brown asked the Minister representing the Treasurer, upon notice, on 21 October 1997:

How does the tax treatment of pension income compare with that of self-funded retirees whose income is at a similar level to the pension.

(a) Is it a fact that the Government's election policy was to treat these two groups similarly for tax purposes; and (b) what action is the Government taking to achieve this.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

(1) From the 1997-98 financial year onwards, age pension recipients and most self funded retirees with equivalent taxable incomes will receive the same tax treatment, other than that age pension recipients are not required to pay provisional tax.

In the 1996-97 Budget the Government announced a tax rebate for lower income aged people equivalent to the pensioner rebate. The rebate ensures that people of age pension age who are considered to be residents for age pension purposes with an income below the pensioner rebate cut out threshold pay the same amount of income tax as pensioners on an equivalent income.

As a transitional measure, the rebate for 1996-97 is at a level equivalent to half the pensioner rebate level for a given level of taxable income. From 1997-98 the rebate will be equivalent to the pensioner rebate for a given level of taxable income.

The ATO does not raise provisional tax on an individual who, in the previous income year, received a taxable pension and had an income below specified levels. Recipients of the low income aged person rebate do not receive the same exemption from provisional tax. However where a taxpayer expects to be entitled to the low income aged person rebate in the next assessment which would reduce the total tax liability, he or she can apply to vary their provisional tax liability accordingly.

2 (a) Yes.

2 (b) See (1).

Member for Oxley

(Question No. 950)

Senator Bob Collins asked the Minister for Justice, upon notice, on 23 October 1997:

Please provide details of the cost, if any, to the Australian taxpayer of providing members of the Australian Federal Police or other Commonwealth security services, to accompany the Member for Oxley and provide for her personal protection since 2 March 1997.

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

Security agencies and police services closely monitor threats and security incidents directed against members of parliament, and implement prudent security measures as appropriate. A number of threats and incidents have been directed against the Member for Oxley, and certain security measures have been implemented as a result. In line with long established practice, I do not propose to provide details of specific security measures.

Charter of Budget Honesty Legislation

(Question No. 952)

Senator Murray asked the Minister representing the Treasurer, upon notice, on 30 October 1997:

(1) Is the Minister aware of any Act which has been passed by the Federal Parliament which does not provide for any enforceable rights or duties; if so, which Acts are they.

(2) Will the Act proposed in the Charter of Budget Honesty Bill 1996 be enforceable at large or in part; if so, please specify how.

(3) What would happen if Charter of Budget Honesty Act were not complied with.

(4) How can Parliament and the public enforce the Act.

(5) Has the Treasurer, the Attorney-General, or the Government; (a) received any advice as to the validity of the bill in the absence of enforceable rights or duties; and (b) can a copy of that advice be provided.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

(1) There are a number of Commonwealth Acts which impose duties on a statutory body, but provide that such duties are not enforceable in judicial proceedings. Some examples are:

- . the Human Rights and Equal Opportunity Act 1986;
- . the Federal Airports Corporation Act 1986;
- . the Special Broadcasting Service Act 1991;
- . the Australian Broadcasting Corporation Act 1983;
- . the Australian National Railways Corporation Act 1983; and

the Defence Housing Authority Act 1987.

(2) to (4) The Charter's objective is to improve the framework in which fiscal policy is determined through the establishment of arrangements to improve the formulation and reporting of fiscal policy. It requires regular statements of fiscal policy objectives, targets and outcomes which will enhance transparency and provide benchmarks against which accountability for government fiscal performance can be assessed. While the Act will not create rights or duties that are enforceable in judicial or other proceedings, the normal conventions of accountability of public servants to Ministers and of Ministers to Parliament, as well as the scrutiny of the general public, will ensure compliance with the Bill.

(5) The Australian Government Solicitor's Office of General Counsel has advised as follows:

"The fact that the Bill is not enforceable in judicial or other proceedings does not affect its validity."

Taxation: Public Benevolent Institutions

(Question No. 954)

Senator Murray asked the Minister representing the Treasurer, upon notice, on 31 October 1997:

With reference to the tax classifications of 'public benevolent institutions' (PBIs) under the Income Tax Assessment Act:

(1) How many entities enjoy the status of PBIs.

(2) For the 1996-97 financial year; (a) how many new PBIs were granted; and (b) how many PBIs had that status ended by the Australian Taxation Office.

(3) Has the Australian Taxation Office had a process of reviewing status of PBIs under way; if so (a) why; and (b) who are the targets.

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

(1) There are approximately 15,730 entities registered with the Australian Taxation Office (ATO) as being PBIs. However, as there is no requirement in the law for an organisation to approach the ATO to be granted PBI status there may be more PBIs operating in Australia.

(2) A precise answer to this question could only be provided by manually identifying and analysing the records of all PBIs registered with the ATO. The ATO does not believe that such a task would be an efficient use of ATO resources. However, as an indication, the ATO receives approximately 20 new requests each week from organisations seeking recognition as a PBI and most of these are approved.

(3) The ATO has not been conducting a systematic review of all organisations that have PBI status. However, if information becomes available to the ATO through its normal day to day activities that indicates that the operations of a PBI have changed from those originally approved, a review of that organisation may be undertaken. Similarly, if an organisation seeks confirmation of their PBI status, a review of that organisation may be undertaken at that time. If that review determines that the organisation is not a PBI, for example because the activities of the organisation are materially different to those originally approved, the PBI status of the organisation may be withdrawn.

In addition, a review of Public Hospitals that are PBIs and that have recently changed their management structures is being conducted.

Farm Property Assets

(Question No. 956)

Senator Woodley asked the Minister for Social Security, upon notice, on 6 November 1997:

(1) How are farm property assets valued by the department.

(2) Is it standard policy for the department to use farm property valuations determined by the Australian Valuation Office (AVO).

(3) (a) In what situations is it possible for the department to use a valuation other than that provided by the AVO; and (b) in what situations is it possible for the department to start using an AVO valuation and then change to another valuation at a later date.

(4) What training is required by departmental officers working on asset valuation cases for farm dweller applicants.

(5) In what situation would the department not use local valuations and prices when determining: (a) a farm value; and (b) the value of plant and machinery of farm dweller applicants.

(6) What procedures were conducted for the property, plant and machinery valuation conducted in the case of Mr G L Smith and Mrs E M Smith of Camperdown, Victoria.

(7) Can a detailed account be provided of how the exact figures were determined for the Smith property, as well as for their plant and machinery.

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

(1) The customer provides an estimate of the farm property assets and staff use their local knowledge and current capital improved value rate notices to decide if a customer's estimate is reasonable or understated. In this process, the Australian Valuation Office (AVO) is available to

provide telephone advice on the reasonableness of a customer's estimate.

If the customer's estimate appears understated and a more realistic valuation would have an impact on the rate payable, or the value of the customer's total assets falls within \$10,000 of the applicable assets amount which affects a customer's entitlement, a valuation is sought from the AVO.

(2) Yes, it is standard policy for Centrelink to use farm property valuations determined by the AVO. The services provided by the AVO ensure that customers receive an accurate and impartial valuation of their assets and, as a result, a correct assessment of their entitlement to income support.

(3) (a) Customers are not expected to obtain professional valuations of any asset. However, if a customer provides a written valuation from a professional qualified valuer and it conforms with AVO standards, the valuation can be used to determine the claim.

(b) Centrelink, on some occasions, may accept a non-AVO valuation ("local valuation") provided by the customer, if that valuation meets specified standards.

The customer may wish to initiate this because of a change in the property market. Centrelink may initiate a review because of a sale of part of the property, or the length of time since the previous valuation. In these circumstances, the most usual practice would be for AVO to conduct the re-valuation. However, as noted above, a local valuation may also be acceptable.

(4) Officers of Centrelink do not carry out asset valuations. However, the AVO provides information seminars as required by Centrelink. These seminars explain the role of the AVO, outline the valuation process, describe the types of valuation requests and explain the valuation inspection categories. In addition, the AVO provides a '1800 Help Desk' facility for Centrelink regional office and area office staff on valuation matters.

(5) Local valuations are not used when they do not meet certain standards. These standards are fulfilled when the valuation is undertaken by a person who is registered by the relevant State Authority as qualified to provide valuations; contains details of comparable sales; states the basis on which the valuation is made and is expressed in writing.

(6) & (7) It is not appropriate to provide details of individual cases but where the AVO undertakes a valuation the property would be fully inspected and then valued by comparison with other similar sized properties in the general locality. Factors such as location, soil types and area, superphosphate history, rainfall and topography would be considered when determining the land value.

The depreciated value of the buildings could then be added giving a market value on the basis of highest and best use.

Plant and machinery on the property would be valued following an inspection to determine its age, condition, capacity and effective remaining life and where appropriate it would be compared with comparable items sold in the area.

Higher Education Contributions Scheme

(Question No. 957)

Senator Margetts asked the Minister representing the Minister for Employment, Education, Training and Youth Affairs, upon notice, on 10 November 1997:

(a) What is the status of the Higher Education Contributions Scheme debt when the debtor is declared bankrupt; (b) is the debtor liable to continue repayments when their income exceeds the appropriate threshold; (c) is the debt eliminated as a consequence of bankruptcy.

Senator Ellison—The Minister for Employment, Education, Training and Youth Affairs has provided the following answer to the honourable senator's question:

The response to each part of the question reflects current policy and is subject to change.

(a) A part of the accumulated debt is discharged by the act of bankruptcy. This applies to that part of the accumulated HECS debt which has been assessed by the Commissioner of Taxation as being payable in the particular income year that a person becomes bankrupt. The remainder of the accumulated HECS debt survives bankruptcy.

(b) The HECS debtor is liable to continue repayments when the debtor's income is above the minimum income threshold for compulsory HECS repayments.

(c) A person's accumulated HECS debt is not eliminated as a consequence of bankruptcy.

World Heritage Committee

(Question No. 958)

Senator Forshaw asked the Minister for Environment, upon notice, on 11 November 1997:

(1) Which States Parties to the World Heritage Convention are members of the World Heritage Committee and when were they elected to the Committee.

(2) Which State members of the World Heritage Committee were elected at its extraordinary sessions in Paris on 29 October 1997 to the World Heritage Bureau.

(3) Which items on the agenda of the session of the World Heritage Committee in Naples in December 1997 concern: (a) federal departments and agencies; and (b) State and Territory departments and agencies.

(4) What action has the Minister taken on the items on the agenda which concern the department.

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

(1) Committee members and their election dates are as follows:

Australian, Benin, Canada, Cuba, Ecuador, Malta and Morocco were elected in 1995.

Brazil, France, Italy, Japan, Lebanon, Niger and the USA were elected in 1996.

Finland, Greece, Hungary, Republic of Korea, Mexico, Thailand and Zimbabwe were elected in 1997.

(2) Italy, Lebanon, Japan, USA, Morocco, Ecuador and Benin.

(3) Since the Australian Government is a State Party to the World Heritage Convention, all items on the agenda concern Environment Australia, which manages the Commonwealth Government's involvement, with the assistance of the Department of Foreign Affairs and Trade. Other Commonwealth departments or agencies have been consulted as necessary.

The following agenda items concern (in the sense that they are or may be relevant to) State departments and agencies which manage Australia's World Heritage properties:

Item 6—Report on the decision of the 29th General Conference of UNESCO on the resolution adopted by the World Heritage Committee at its 20th session with regard to monitoring and its implementation;

Item 7—State of Conservation of properties inscribed on the World Heritage List;

Item 8—Information on Tentative Lists and examination of nominations of cultural and natural properties of the World Heritage List of World Heritage in Danger.

(4) I have approved the delegation briefing for the World Heritage Committee meeting which sets out the delegation objectives and the Government's position on items of particular interest.

Medicare

(Question No. 959)

Senator Bishop asked the Minister representing the Minister for Health and Family Services, upon notice, on 11 November 1997:

(1) Has the Minister received any inquiries, submissions or representations regarding the facilitation of Medicare rebates through local chemists; if so, from whom have those inquiries, submissions or representations come.

(2) Has any feasibility study been commissioned regarding the proposal; if so, what were the criteria and results of the study.

(3) (a) How many pieces of correspondence opposing Medicare office closures have been received since March 1996; and (b) how many were from Western Australia.

(4) To how many of these pieces of correspondence has the Minister responded.

Senator Herron—The Minister for Health and Family Services has provided the following answer to the honourable senator's question:

(1) Yes, numerous inquiries, submissions and representations have been received from Members of Parliament, pharmacists and members of the public regarding Medicare claiming facilities through local chemists.

(2) The Health Insurance Commission (HIC) began a pilot study of facsimile-based claiming devices in five pharmacies in Central Queensland in March 1997. An independent evaluation of the Medicare easyclaim trial was conducted by AGB McNair soon after the trial commenced. The evaluation assessed customer, pharmacy staff, medical receptionist and HIC staff responses to the system. The research findings were very positive. Medicare easyclaim was seen as more convenient and quicker than traditional methods of claiming available to people in rural and remote areas. Eighty-nine per cent of respondents said Medicare easyclaim improved access to Medicare. Eighty-seven per cent said they were likely to use Medicare easyclaim in the future. Thirteen per cent of people surveyed had already used the pharmacy-based claiming service in the first month of the trial. Feedback was used to improve the service.

The HIC commenced a second pilot in September 1997 to run for six months. This pilot is of six kiosk devices at four pharmacies in rural Victoria and two in Palmerston in the Northern Territory. An independent evaluation of the pilot will be conducted to gauge public reaction; the pharmacists' views; information on usage and error rates; and the costs and benefits of wider implementation of these devices.

(3) 225 personalised letters.

(4) Replies to 197 pieces of correspondence have been finalised.

New Port Developments in Western Australia

(Question No. 961)

Senator Murray asked the Minister representing the Prime Minister, upon notice, on 11 November 1997:

(1) Does the Commonwealth have any planning or assessment processes under way to examine the need or potential for new port developments in Western Australia.

(2) Is the identification of the need for, and possible sites of, new port developments purely the province of State governments.

(3) Is there any formal coordination between the States and the Commonwealth on the development of port infrastructure.

(4) Has the Western Australian Government approached the Commonwealth requesting funding assistance, to be drawn from the Centenary of Federation projects fund, for the construction of new port and industrial facilities at Jervoise Bay, 10 km south of Fremantle in Western Australia; if so, what has been the Commonwealth's response; if not, what is the Commonwealth's position on the allocation of Commonwealth funds for the Jervoise Bay development.

(5) Is the Prime Minister aware that the proposed port faces strong community opposition because it would impact on the National Estate listed areas of Brownman Swamp and Lake Mount Brown, as well as the Beeliar Regional Park.

(6) If the Commonwealth is considering funding assistance for the port, is the Commonwealth also seeking advice from the Australian Heritage Commission and other environmental agencies.

Senator Hill—The Prime Minister has provided the following answer to the honourable senator's question:

(1) The Commonwealth has no express power under the Constitution to legislate with respect to port infrastructure, although it is responsible for the provision and maintenance of a number of relatively minor port facilities in territories it administers directly. The majority of Australian ports are controlled by State Government statutory authorities or government business enterprises. The planning of port infrastructure developments and land use issues are the responsibility of State and Territory Governments.

(2) As outlined in part 1 of this question, all issues relating to the development of port infrastructure, including the development of new port sites, is the responsibility of the respective State or Territory Governments.

(3) The Government has regular interaction with State and Territory Governments through the Australian Transport Council at which a wide range of transport and related issues are discussed, including maritime issues. However the Commonwealth Government itself does not have jurisdiction over the States and Territories with respect to the planning and development of port facilities.

(4) The Government of Western Australia nominated the Jervoise Bay infrastructure development project as Western Australia's first priority for funding from the Commonwealth's Federation Fund. I announced on 26 January 1998 that the Commonwealth had committed \$80 million from the Federation Fund to the project. Commonwealth funding is conditional on obtaining necessary environmental clearances.

(5) I am aware that there are some community concerns about possible environmental impacts of the project. Environmental assessment of the project is continuing.

(6) The Commonwealth's contribution to this project is conditional on obtaining necessary environmental and heritage clearances, including seeking advice from relevant agencies.

Department of the Prime Minister and Cabinet: Australian Conservation Society Funding

(Question No. 962)

Senator Abetz asked the Minister representing the Prime Minister, upon notice, on 17 November 1997:

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the department.

Senator Hill—The Prime Minister has provided the following answer to the honourable senator's question.

(1) & (2) No funding was provided to the ACF by the Department of the Prime Minister and Cabinet in 1996-97. However, in 1996-97, the Forests Taskforce within the Department of the Prime Minister and Cabinet wrote to the ACF offering financial assistance of \$20,000 under the Comprehensive Regional Assessment/Regional Forest Agreement (CRA/RFA) Participation Grants Program, subject to strict conditions, to help meet the organisation's costs in participating in the CRA/RFA process in the period 1 July 1996 to 30 June 1997. This offer was not taken up. A similar

offer was made to a number of state and national community, union and environment groups.

The answer supplied to the honourable senator in response to Senate Question 383 (Hansard 24 February 1997, page 894) was inaccurate in reporting that no funding was provided to the ACF by the Department of the Prime Minister and Cabinet in 1994-95. During 1994-95 the Office of Indigenous Affairs within the Department of the Prime Minister and Cabinet provided \$30,000 to the ACF for a grant associated with promotion of reconciliation in the environment sector.

No funding was provided to the Wilderness Society by the Department of the Prime Minister and Cabinet in 1994-95, 1995-96 or 1996-97. However, in 1996-97 the Forests Taskforce within the Department of the Prime Minister and Cabinet wrote to the Wilderness Society offering financial assistance of \$20,000 under the CRA/RFA Participation Grants Program, subject to strict conditions, to help meet the organisation's costs in participating in the CRA/RFA process in the period 1 July 1996 to 30 June 1997. This offer was not taken up. A similar offer was made to a number of state and national community, union and environment groups.

The Treasury: Australian Conservation Foundation Funding
(Question No. 964)

Senator Abetz asked the Minister representing the Treasurer, upon notice, on 17 November 1997:

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the department.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

1. None.
2. None.

Department of Environment, Sport and Territories: Australian Conservation Foundation Funding
(Question No. 966)

Senator Abetz asked the Minister for the Environment, upon notice, on 17 November 1997:

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in 1994-95, 1995-96 and 1996-97 financial years by the department.

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

(1) the following funding was provided to the Australian Conservation Foundation in the 1996-97 financial year:

Program/Purpose	1996-97
Grant made under the Grants to Voluntary Conservation Organisation program	\$110,000

(2) The following funding was provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years:

Program/Purpose	1994-95	1995-96	1996-97
Grant made under the Grants to Voluntary Conservation organisations program	\$58,151	\$58,151	\$58,200
National Estate Grants Program—final payment to assist in the production of a Wilderness Video.	\$7,295		
Sponsorship for the professional/technical stream of the "Wild Agendas" Conference held in Sydney on 1-2 July 1995	\$21,550		

**Department of Communications, the
Information Economy and the Arts:
Australian Conservation Foundation
Funding**

(Question No. 967)

Senator Abetz asked the Minister for Communications, the Information Economy and the Arts, upon notice, on 17 November 1997

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the department.

Senator Alston—The Minister for Communications, the Information Economy and the Arts has provided the following answer to the honourable senator's question:

(1) No funding has been provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) No funding has been provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the department.

**Department of Workplace Relations and
Small Business: Australian Conservation
Foundation Funding**

(Question No. 968)

Senator Abetz asked the Minister representing the Minister for Workplace Relations and Small Business, upon notice, on 17 November 1997:

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the Department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the Department.

Senator Alston—The Minister for Workplace Relations and Small Business has provided the following answer to the honourable senator's question:

(1) Nil.

(2) Nil.

**Department of Social Security:
Australian Conservation Foundation
Funding**

(Question No. 969)

Senator Abetz asked the Minister for Social Security, upon notice, on 17 November:

(1) What funding was provided and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and the 1996-97 financial years by the department.

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

(1) The Department of Social Security provided no funding to the Australian Conservation Foundation (ACF) in the 1996-97 financial year.

(2) The Department of Social Security provided no funding to the Wilderness Society in the 1994-95, 1995-96 or the 1996-97 financial years. The answer for the 1994-95 and 1995-96 financial years are based on a search of available archival data.

**Department of Defence: Australian
Conservation Funding**

(Question No. 972)

Senator Abetz asked the Minister representing the Minister for Defence, upon notice, on 17 November 1997.

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the department.

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

(1) No funding was provided to the Australian Conservation Foundation in the 1996-97 financial year.

(2) The following payments were made to the Wilderness Society:

1994-95—\$0.00; 1995-96—\$5503.25; 1996-97—\$2063.00; Total—\$7566.25.

All expenditure was for the purchase of posters for the Defence training facilities in Canberra.

**Department of Health and Family
Services: Australian Conservation
Foundation Funding**

(Question No. 973)

Senator Abetz asked the Minister representing the Minister for Health and Family Services, upon notice, on 17 November 1997:

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the department.

Senator Herron—The Minister for Health and Family Services has provided the following answer to the honourable senator's question:

(1) The Department of Health and Family Services provided no funds to the Australian Conservation Foundation in the 1996-97 financial year.

(2) The Department of Health and Family Services provided no funds to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years.

**Department of Employment, Education,
Training and Youth Affairs: Australian
Conservation Funding**

(Question No. 974)

Senator Abetz asked the Minister representing the Minister for Employment, Education, Training and Youth Affairs, upon notice, on 17 November 1997:

(1) What funding was provided, and if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the department.

Senator Ellison—The Minister for Employment, Education, Training and Youth Affairs has provided the following answer to the honourable senator's question:

(1) The Department of Employment, Education, Training and Youth Affairs provided funding to the Australian Conservation Foundation of \$161,579 in 1996-97 under Brokered programs and National Training Wage.

(2) The Department provided funding to the Wilderness Society of \$22,930 in 1994-95, \$8,224 in 1995-96 and \$32,229 in 1996-97. This funding was provided under JobStart, National Training Wage, TAP-Direct Assistance and for Assessor Training.

**Department of Transport and Regional
Development: Australian Conservation
Foundation**

(Question No. 976)

Senator Abetz asked the Minister representing the Minister for Transport and Regional Development, upon notice, on 17 November 1997:

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial year by the department.

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

(1) and (2) nil.

**Department of Veterans' Affairs:
Australian Conservation Foundation**

(Question No. 978)

Senator Abetz asked the Minister representing the Minister for Veterans' Affairs, upon notice, on 17 November 1997:

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the department.

Senator Newman—The Minister for Veterans' Affairs has provided the following answer to the honourable senator's question:

(1) Nil.

(2) Nil.

**Aboriginal and Torres Strait Islander
Commission : Australian Conservation
Foundation Funding**

(Question No. 979)

Senator Abetz asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 18 November 1997:

(1) What funding was provided, and, if any, what was the amount provided to the Australian Conservation Foundation (ACF) in the 1996-97 financial year by the department.

(2) What funding was provided, and, if any, what was the amount provided to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years by the department.

Senator Herron—The Aboriginal and Torres Strait Islander Commission has provided the following information in response to the honourable senator's question:

(1) The Commission provided no funding to the Australian Conservation Foundation in the 1996-97 financial year.

(2) The Commission provided no funding to the Wilderness Society in the 1994-95, 1995-96 and 1996-97 financial years.

**Sydney (Kingsford-Smith) Airport: Slot
Management Scheme**

(Question No. 985)

Senator Bourne asked the Minister representing the Minister for Transport and Regional Development, upon notice, on 19 November 1997:

With reference to the Sydney Airport Demand Management Bill 1997:

(1) Will the Slot Management Scheme have the effect of extending current peak times for Sydney Airport, as flights will be pushed outside the current peak times experienced under the cluster system.

(2) When will the Slot Management System be drafted.

(3) When will the Compliance System be drafted.

(4) Is there going to be a testing period of the Slot Management Scheme immediately following its drafting and ministerial approval: if so, will representatives from community organisations be able to comment on the system.

(5) Will there be a cooling off period for airlines from the compliance regime, immediately after introduction, while the scheme is being 'tested'.

(6) Will the Slot Management Scheme or the Compliance Scheme Committees allow members

from concerned community groups, or will they specifically consist of industry and departmental members only: if so, will there be any compulsion for these members to consult with the community, particularly in relation to breaches of the curfew.

(7) With reference to the fact that the Minister, in his second reading speech, guaranteed that regional airlines and new entrants will be provided access to the Slot Management Scheme: given that their admittance is not guaranteed as it is not in the bill: (a) what real guarantees are there: and (b) what course of action will be available to aggrieved airlines.

(8) With reference to the monies gathered through the Compliance Scheme, will they be set aside for the purposes of community based projects in relation to the airport.

(9) (a) Will any of the monies be directed to the Sydney Noise Insulation Project: and (b) what is the status of that project.

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

(1) Alleviating the airlines practice of cluster scheduling will result in flights being spread more evenly across an hour ie some flights currently scheduled on the hour may be moved, to say 10 minutes past the hour, and this should not extend the current peak times.

(2) The Slot Management Scheme is scheduled to be tabled in both Houses of Parliament early in 1998.

(3) The Compliance Scheme is scheduled to be tabled in both Houses of Parliament early in 1998.

(4) No, although the Scheme will be the subject of ongoing review and amendment if necessary.

(5) For the first scheduling season (ie March—November 1998) airlines will not be the subject of enforcement action for off slot breaches. However, operators who fly into or out of Sydney Airport without a slot will be subject to enforcement action.

(6) The Committee's will be responsible for the day-to-day administration of the Scheme and will therefore be made up of industry and government representatives. Breaches of the curfew are considered under the Sydney Airport Curfew Act 1995.

(7) (a) New entrant and regional airline access will be guaranteed under the Slot Management Scheme, which is a disallowable instrument. (b) Recourse will be through the Kingsford Smith Coordination Committee.

(8) No.

(9) (a) No (b) See answer to question no 882 in the Official Senate *Hansard* of 19 November 1997, page 9199.

Student Unionism

(Question No. 986)

Senator Stott Despoja asked the Minister representing the Minister for Employment, Education, Training and Youth Affairs, upon notice, on 19 November 1997:

With reference to the fact that, prior to 22 October 1997, the Minister wrote to Senator Abetz stating: 'I am sympathetic with . . . the situation of all those who are forced to pay compulsory student union fees. I am considering the Commonwealth's options on voluntary student unionism as I share your concerns. I have already sought legal advice on this issue. I will write to you once again once I have received further advice':

- (1) What has been the advice provided to the Minister on this issue.
- (2) What further advice has been sought by the Minister on this issue.
- (3) Has this advice been forwarded to Senator Abetz.
- (4) Does the Minister intend to pursue the issue of student unionism through legislative mechanisms.

Senator Ellison—The Minister for Employment, Education, Training and Youth Affairs has provided the following answer to the honourable senator's question:

- (1) The Minister has received legal advice from the Attorney-General's Department.
- (2) No further advice is being sought at this stage.
- (3) All members of the government will be briefed and advised of the legal advice during the course of government consideration of the issue.
- (4) The Government is considering options on voluntary student unionism.

Disability Services

(Question No. 987)

Senator Allison asked the Minister representing the Minister for Family Services, upon notice, on 19 November 1997:

(1) Is the Minister aware of the reports that the Australian Institute of Health and Welfare (AIHW) found that at least 14 000 people with severe disabilities went without support last year, and that the Institute predicts that the level of demand will increase dramatically because 7 700 severely

disabled people are being cared for by parents aged 65 years or older.

(2) What provisions have been made to care for these people after their parents can no longer do the job themselves.

(3) When will the AIHW report be publicly available.

(4) The AIHW has said that \$257 million is currently needed to meet demand for accommodation and respite and day care programs: (a) what, if any, undertakings has the Federal Government sought from the States to address this need; and (b) how much funding will the Federal Government be contributing towards this provision of services.

(5) Will the Government undertake, as a matter of urgency, the collection of accurate, up to date data on the level of unmet need.

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

(1) Yes. The figures quoted are similar to figures previously published in a paper prepared by the Institute for the Commonwealth/State Disability Agreement Evaluation, conducted by Professor Anna Yeatman in 1996. The Department of Health and Family Services, acting on behalf of the Commonwealth/State Disability Services Subcommittee, commissioned the Institute to prepare a further report on the need for disability support services. The current draft of the Institute's latest report estimates that there are 13,400 people with disabilities who have an unmet need for accommodation services. It also estimates that in 1993 there were 7,700 parents aged 65 and over who were principal carers for people with a severe or profound handicap.

(2) Under the Commonwealth/State Disability Agreement, State and Territory Governments are responsible for managing accommodation and other support services. Each State and Territory government will need to consider how they intend to address the needs for disability services for this group.

(3) The Institute is scheduled to finalise its report on 19 December, and intends to publish the report in early 1998. Copies may be available from the Institute by request after 19 December 1997.

(4) (a) Under the Commonwealth/State Disability Agreement, State governments are responsible for managing funding for accommodation, respite and day services. They receive some funding assistance from the Commonwealth to do this. However, the bulk of the funding responsibility lies with the States.

The contributions of the respective State and Territory governments are under discussions as part of the renegotiation of the Agreement.

(b) The current Commonwealth funding offer for the second Commonwealth/State Agreement will provide State and Territory governments with an additional \$104 million over five years, above 1996-7 levels. The total funds which would be provided by the Commonwealth to the States over the five years of a new Agreement will exceed \$1.5 billion (in constant 1997-98 dollars).

(5) The State and Commonwealth governments commissioned the current study by the Australian Institute of Health and Welfare to further develop accurate up to date data on the level of unmet need for disability services. Other examples of the Commonwealth's commitment to the collection of data on the needs of people with disabilities include the work which was undertaken in 1995 and 1996 as part of the review of the Commonwealth/State Disability Agreement.

The main source of data for the Institute's unmet demand estimates is the five-yearly survey of the Australian Bureau of Statistics survey of Disability Ageing and Carers. This survey screens about 18,000 households representing approximately 45,000 persons, and enables a statistically reliable picture of the Australian population with disability to be assembled. The survey provides the best national data on disability in the Australian population, and will be repeated in 1998.

The Department initiates a yearly census on people currently receiving disability services and has developed, in consultation with Commonwealth and State departments, national data dictionaries designed to assist in the collection and analysis of comparable information on disability and disability services.

The proposed second Commonwealth/State Disability Agreement makes explicit provision for improved planning, greater public accountability and performance measurement in areas such as the meeting of unmet need. All governments will need to continue to improve their needs based planning and data collection systems.

Mr Alan Bond

(Question No. 988)

Senator Murray asked the Minister for Justice, upon notice, on 19 November 1997:

(1) Is it a fact, that after 4 years of investigation, the Australian Federal Police (AFP) does not yet have the required evidence to charge Mr Alan Bond for alleged offences committed during bankruptcy and, if this is the case, that no charges would then be sustainable against Mr Bond.

(2) Is it a fact that AFP investigations have revealed no substantial money or assets (that) remain under the care and control of Mr Jurg Bollag in the jurisdiction of Switzerland.

(3) Does the AFP have knowledge that assets believed to be controlled by Mr Bond were moved to Liechtenstein in or around 1994.

(4) Is it a fact that several applications pursuant to the Mutual Assistance in Criminal Matters Act 1987 were made by the Attorney-General to the Swiss authorities, but no application has been made for assistance from the Principality of Liechtenstein.

(5) Is it a fact that, if requested by the Australian Government, Swiss authorities will process, on behalf of the Australian Government, executive requests to Liechtenstein authorities, who are party to the European Convention on Mutual Assistance.

(6) Is it a fact that monies spent by various authorities in the investigation and prosecution of Mr Bond have no chance of being recouped, unless further, more substantial assets can be located and seized.

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

(1) The AFP investigation commenced in December 1993 and has been delayed considerably through repeated legal challenges by Mr Bond and Mr Bollag. No charges have been laid against Mr Bond as a result of the AFP investigation to date, however, the allegations being investigated are not limited by a statute of limitations.

(2—4) As the AFP investigation is continuing I am not in a position to discuss details of this case.

(5) No. As Liechtenstein is an independent State for diplomatic purposes, any requests for assistance must be made directly to Liechtenstein. Furthermore, Australia is not a party to the European Convention on Criminal Matters.

(6) The AFP investigation is primarily concerned with investigating the allegations against Mr Bond and is not dependent upon the costs of the investigation being recouped as the result of confiscation of assets.

South Australian Public Hospitals: Beds

(Question No. 989)

Senator Crowley asked the Minister representing the Minister for Health and Family Services, upon notice, on 19 November 1997:

(1) How many beds were available in South Australian public hospitals on 1 November: (a) 1997; (b) 1996; (c) 1995; and (d) 1994.

(2) How many staff were employed in South Australian public hospitals on 1 November: (a) 1997; (b) 1996; (c) 1995; and (d) 1994.

(3) How many persons were waiting for surgery in South Australian public hospitals on 1 November: (a) 1997; (b) 1996; (c) 1995; and (d) 1994.

(4) Is the number of beds available in South Australian public hospitals at an acceptable level with regard to the Medicare agreement between the Federal and South Australian Governments.

(5) How many beds does the South Australian Government need to make available for it not to be in breach of the Medicare agreement.

(6) What are the minimum conditions that the South Australian Government must achieve with regard to the provision of public health services to meet the requirements of the Medicare agreement.

Senator Herron—The Minister for Health and Family Services has provided the following answer to the honourable senator's question:

(1) Available beds numbers in recognised public hospitals under the Medicare Agreements are supplied to the Commonwealth by the State and Territory health authorities. The following table shows bed numbers supplied by the South Australian Health Commission:

Year (at 30 June)	Available recognised public hospital beds ⁽¹⁾ in South Australia
1997	Not available
1996	4,908
1995	4,985
1994	5,059

⁽¹⁾ Excludes day hospital facilities

Number of beds is, of course, not an appropriate measure of access to public hospital care. Other more appropriate indicators include total bed days in public hospitals where the South Australian figures are:

Year (at 30 June)	Total bed days in South Australian recognised hospitals
1997	Not available
1996	1,357,299
1995	1,342,423
1994	1,385,195

(2) The Commonwealth does not hold this data. Responsibility for the planning and provision of public hospital services, including the staffing of public hospital facilities, is vested in the State and Territory Governments.

(3) The Commonwealth does not hold this data.

However, it should be noted that waiting lists are a poor indicator of hospital and health system performance which do not necessarily provide an accurate indication of problems relating to access to elective surgery.

Many hospital admissions, including elective admissions, occur without the patient ever being on a waiting list.

Some period of waiting may be appropriate, depending on the clinical urgency of the case:

- . waiting lists provide a mechanism for scheduling admissions so that the most urgent cases are treated first; and
- . the clinical urgency of cases on the waiting lists is therefore more critical than the number of cases.

Because of these factors, it is accepted by both Commonwealth and State/Territory health authorities that it is more appropriate to focus on admitting people to hospital within clinically appropriate

times than on the number of people waiting at any point in time.

This is reflected in the arrangements introduced under the Medicare Agreements in 1995-96 whereby States have access to bonus funding if they achieve bilaterally agreed performance targets. Four areas were targeted initially: admitted and non-admitted patient activity; and waiting times for elective surgery and emergency departments. For elective surgery, the incentive is not based on the number of people on waiting lists but on the length of time people wait on the list before admission to hospital.

The National Health Data Dictionary defines three categories of clinical urgency for patients requiring elective surgery:

- . category 1 admission within 30 days desirable for a condition that has the potential to deteriorate quickly to the point that it may become an emergency;
- . category 2 admission within 90 days desirable for a condition causing some pain, dysfunction or disability but which is not likely to deteriorate quickly or become an emergency; and

- . category 3 admission at some time in the future acceptable for a condition causing minimal or no pain, dysfunction or disability, which is unlikely to deteriorate quickly into an emergency.

(4 and 5) The Medicare Agreements negotiated by the previous Labor Government do not stipulate public hospital beds numbers and do not link funding to the number of public hospital beds.

Rather, funding is provided to the States who, under the terms of the Medicare Agreements, agree to ensure that eligible persons have access to a comprehensive range of inpatient, outpatient and accident and emergency services free of charge in both metropolitan and rural areas on the basis of clinical need.

The only funding under the Agreements which is directly related to activity levels is, as previously mentioned, some bonus funding which is linked to performance in the areas of admitted and non-admitted patient activity and waiting times for elective surgery and emergency departments.

(6) There is a range of other detailed provisions contained within the Medicare Agreements. Copies of the Medicare Agreements between the Commonwealth and the States are available in the Parliamentary Library.

Apart from the bonus funding arrangements mentioned in (3) above, the previous Government did not link funding to specific outcomes or performance targets.

HMAS Sydney

(Question No. 990)

Senator Margetts asked the Minister representing the Attorney-General, upon notice, on 20 November 1997:

With reference to documents recently tabled in the Senate by Senator Margetts in relation to the sinking of the HMAS Sydney, copies of which were understood to have been provided by Mr John Doohan to the Attorney-General's electorate office on 29 August 1997:

(1) What action is proposed to investigate the allegations made in the statutory declarations that were tabled and provided to the Attorney-General's office: if no action is being proposed in relation to this matter, could an outline of the reason for not proceeding with an investigation be provided.

(2) Has the Attorney-General at any time received briefings from the Australian Security Intelligence Organisation or the Australian Federal Police about Mr John Doohan of 21 Bartlett Street, Willagee, Western Australia: if so, have those briefings influenced the handling of this matter.

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

(1) I do not propose to take any action to investigate the allegations made in the statutory declarations that were tabled and provided to my electorate office. Such an investigation would be unnecessary and inappropriate, given the Minister for Defence requested the Joint Standing Committee on Defence Foreign Affairs and Trade on 26 August 1997 to investigate and report on the circumstance of the sinking of the HMAS Sydney.

(2) The first part of this question seeks information about operational issues involving the Australian Federal Police and the Australian Security Intelligence Organisation. I do not propose to depart from the practice of previous Governments which have refused to answer question on operation issues. However, I can assure Senator Margetts (and Mr Doohan) that my decision not to take any action to investigate the allegations in the above mentioned statutory declarations was made on the merits

Telstra: Perth International Telecommunications Facility

(Question No. 992)

Senator Cook asked the Minister for Communications, the Information Economy and the Arts, upon notice, on 21 November 1997:

With Reference to the Perth International Telecommunications Facility (PITC) at Landsvale, Western Australia:

(1) On how many occasions have Telstra and its predecessors made improvements to the facility.

(2) On each occasion, has there been a requirement for the facility to gain local government approval to comply with any State government planning requirement before improvements were made; if so, has this been done; if not why not.

(3) (a) Is a buffer zone of one kilometre required around the PITC; if so when was the requirement for the buffer zone first identified; and (b) is the buffer zone mandatory; if so what authority stipulates this is so.

(4) (a) Has Telstra taken steps to maintain a buffer zone around the PITC; (b) has Telstra contacted local and State government in order that their planning procedures can be used to maintain a buffer zone that is free of cost to Telstra; and (c) has Telstra ever initiated any talks with landowners within its required buffer zone in an attempt to ameliorate any impact the buffer zone might have on the value of their properties.

(5) Does Telstra have an agreement, either formal or informal with the City of Wanneroo that allows Telstra to influence the approval of improvements on privately-owned land within a radius of one kilometre of the PITC and where the improvements are consistent with the current zoning of such land; if so: (a) on how many occasions has Telstra commented on proposals by landowners and have these comments been adopted by the City of Wanneroo; (b) if Telstra is requesting changes to the improvements, which adds to the cost of the improvements, is Telstra helping to meet these additional costs; if not, why not; and (c) if such an arrangement does exist, which officer of the City of Wanneroo sanctioned it.

(6) (a) Is the Minister aware that there is currently an application for rezoning before the City of Wanneroo to rezone the land adjacent to the PITC from rural to urban; and (b) does Telstra oppose this application; if so, why.

(7) Is it the Government's policy that government-owned business enterprises should meet all costs associated with their operations in line with national competition policy; if so, would the Government agree that, if Telstra is required to have a buffer zone adjoining the PITC, the cost of maintaining the buffer zone should be borne by Telstra.

Senator Alston—The Minister for Communications and the Arts has provided the following answer to the honourable senator's question:

(1) Improvements have been made to the PITC facility on 15 occasions.

(2) No—The provisions of legislation governing the activities of Telecommunications Carriers, prior to 1st July 1997 (the Telecommunications Act 1991) provided a wide range of immunities from State and Territory laws, including immunity from the local government planning processes. However, Telstra as an act of consideration of its role as landowner, notified the city of Wanneroo and Shire of Swan, as the two affected local governments, of any proposal for a building, antennae or any structure on the PITC site.

Under the provisions of the Telecommunications Act 1997, from 1 July 1997 Telstra is now required to comply with State and local planning processes.

(3) Yes—The requirement for the buffer zone was first identified by the then Overseas Telecommunications Commission (OTC) in 1978 when the PITC was upgraded to a Satellite Earth Station for both communication and deep space tracking. It has also been a requirement of the organisations who contract the services of the PITC such as the European Space Agency to protect radio receiving facilities used for the agreed activities from harmful

radio frequency interference such as the impact of electro-magnetic interference from domestic appliances, machinery, and vehicles. In 1987 Telstra wrote to the Wanneroo and Swan councils and other relevant statutory authorities indicating that a two kilometre buffer zone was desirable and a one kilometre buffer zone was essential to the ongoing viability of the facility.

Telstra understands that Western Australia State agencies have also expressed a view supporting the rural zoning of the surrounding area due to issues associated with its classification as a priority 2 ground water zone and remnant vegetation.

Ministry for Planning documents identify the properties within the 1km zone as being zoned rural or Landscape Protection Zone. Telstra provided input to the planning process.

(4) (a) and (b) Since writing to Wanneroo and Swan Councils and other relevant statutory authorities in 1987, Telstra has supported its position on retention of the rural zoning around the PITC site as part of normal planning processes.

(c) In relation to discussions with landowners in the area, Telstra has responded to any request for a meeting and explained its position on the reasons for rural zoning of the surrounding land to be maintained stressing that there is no intention by Telstra to change the situation for the landowners who in fact purchased the land in the knowledge that a rural zoning was applicable.

Telstra has reserved the right to comment on the height of structures (above 7m) in the area surrounding the PITC and also on the material used for their construction, based on the potential impact such matters could have on the integrity of the site.

Whilst comment has from time to time been forwarded to the City of Wanneroo by Telstra on applications submitted by the surrounding landowners in the same manner as any landowner may comment on a proposal, Telstra's comments have not been such that they would impact on the value of a landowner's property.

(5) No—Telstra does not have an agreement designed to influence the decisions of the City of Wanneroo regarding the PITC site or surrounding areas beyond the considerations that would normally form part of Council planning processes. However, Telstra does exercise its right as a landowner to comment on proposals for improvements and development in the area surrounding the PITC site.

(6) (a) According to Telstra the application for rezoning was in fact approved by the City of Wanneroo in September 1997. (b) Telstra opposed the application. An application for amendment to the Metropolitan Region Scheme (MRS) has subsequently been submitted to the Western Australian Planning Commission (WAPC). The approval of

the Commission is required to formally amend the MRS.

Telstra is concerned at the decision of the City of Wanneroo in terms of the potential impact on the PITC. Should the WACP progress the MRS amendment Telstra will lodge a formal objection during the statutory advertising period as the decision will result in the opportunity for residential development which will significantly impact on the operations of the PITC.

(7) As indicated above, the requirement for a rural zoning has been based on factors other than Telstra requirements. The site was chosen by Telstra in 1967 because of its rural location. There is no cost to maintain the rural zoning as land zoning is the responsibility of respective State and local planning authorities.

Hearing Services Program

(Question No. 993)

Senator Allison asked the Minister representing the Minister for Family Services, upon notice, on 21 November 1997:

With reference to the Government's new hearing services program:

(1) How many hearing service providers have signed contracts to operate under the new hearing services program.

(2) How many hearing service providers have refused to sign contracts to operate under the new hearing services program.

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

(1) A total of 117 hearing service providers have signed contracts to operate under the new hearing services program.

(2) Eight hearing service providers have chosen not to sign contracts to operate under the hearing services program.

Child Care

(Question No. 994)

Senator Neal asked the Minister representing the Minister for Family Services, upon notice, on 24 November 1997:

With reference to the allocation of new child care assistance hours provided for in the Child Care Payments Bill 1997:

(1) Is the limit of 7 000 new places 'a limit on the number of new private sector child care places', as suggested on page 1 of the bill's explanatory memorandum, as the Community Affairs Legislation Committee believed (see its report entitled Child Care Payments Bill 1997 and Childcare

Payments (Consequential Amendments and Transitional Provisions) Bill 1997 at section 2.13) and as industry representatives say they were led to expect, or does it apply to all centre-based long day care, as the bill implies.

(2) When the 7 000 new places are allocated will non-private sector child care centres be able to seek allocation of those places.

(3) On what criteria will new places be allocated between existing centres and new centres.

(4) With reference to 'sessions of care': (a) will the definition of 'session of care' in the bill be altered; and (b) if a centre reduces its specification of the period covered by a 'session of care', will the amount of child care assistance paid also be reduced.

(5) When will the disallowable instruments referring to sessions of care pursuant to the bill be tabled.

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

(1) The limit of 7,000 applies to all centre based care places which do not attract Government capital funding. Under the new Child Care Payments Act 1997, any "centre based long day care service", including services operated on a for-profit or not-for-profit basis may apply for the 7,000 places eligible for Childcare Assistance. Places that attract other Government capital funding (defined in draft "Child Care (Allocation of Child Care Assistance Hours) Guidelines 1997") will not be counted as part of the 7,000 places. This interpretation is consistent with the current section 12A of the Child Care Act 1972, where any for-profit or not-for-profit organisation could access unlimited places eligible for Childcare Assistance funding, as long as they meet the eligibility requirements under that Act.

(2) See answer to Question 1.

(3) New places will be allocated to an area and applications will be assessed against the set of criteria detailed in section 2.2 (1) of the draft Child Care (Allocation of Child Care Assistance Hours) Guidelines 1997. Both existing and new operators will be able to apply for the places allocated to an area.

(4) (a) No. However some changes may be made to the draft Child Care (Session of Care) Determination 1997 following receipt of comments on the draft.

(b) Childcare Assistance will be paid for the 'session of care' paid for by the parent.

(5) Subject to comments received on the exposure drafts, the Disallowable Instruments are

expected to be signed on a progressive basis from late December to March.

Foreign Investment Review Board

(Question No. 996)

Senator Allison asked the Minister representing the Treasurer, upon notice, on 24 November 1997:

(1) Has an application been made to the Foreign Investment Review Board (FIRB) for purchase by overseas interests of the former Defence Department HMAS Lonsdale (south) site in Port Melbourne; if so, can details be provided.

(2) Given that the Victorian State Government recently zoned this site to permit a development of up to 20 storeys, even though the Australian Heritage Commission has stated in writing that a development of this height would seriously detract from the heritage values of the adjacent building, registered on the National Estate; and given also that section 30 (2) of the Australian Heritage Commission Act 1975 stipulates that the FIRB must "not take any action that adversely affects, as part of the national estate, a place that is in the Register": what conditions will be applied to foreign ownership of this site in any FIRB approval.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator's question:

(1) and (2) The FIRB received an application by Renaissance Assets SDN BHD (Renaissance) to acquire an interest in the Port Melbourne property. Following the issue of an Interim Order in December 1997 to allow further time for examination, the deadline for consideration of that proposal was extended to 10 March 1998. In examination of this proposal, the FIRB consulted the Victorian Government and the Australian Heritage Commission. In late January 1988, Renaissance advised that its foreign investment application was withdrawn.

Rent Assistance

(Question No. 997)

Senator Stott Despoja asked the Minister for Social Security, upon notice, on 24 November 1997:

With reference to the reduction in rent assistance for singles who share accommodation:

(1) (a) What proportion of singles under the age of 21 were found to be "sharers" in the survey undertaken prior to the implementation of this measure; and (b) what proportion of singles under 21 were identified as non-sharers.

(2) (a) What proportion of singles over 21 were found to be "sharers" for the purpose of this measure; and (b) what proportion of singles over 21 were identified as non-sharers.

(3) (a) What is the average rent assistance payment to single people under 21 years who share accommodation; and (b) what is the average rent assistance payment to single people under 21 who do not share accommodation.

(4) (a) What is the average rent assistance payment to single people over 25 years who share accommodation; and (b) what is the average rent assistance payment to single people over 25 years who do not share accommodation.

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

(1) (a) The proportion of singles under the age of 21 who were found to be "sharers" in the data collection undertaken prior to the implementation of this measure was 56.7%.

(b) The proportion of singles under the age of 21 who were identified as non-sharers was 43.3%.

(2) (a) The proportion of singles over the age of 21 who were found to be "sharers" in the data collection undertaken prior to the implementation of this measure was 40.4%.

(b) The proportion of singles over 21 who were identified as non-sharers was 59.7%.

(3) (a) At 29 August 1997 the average rent assistance payment to single people under 21 years classified as sharers was \$18.67 per week; and (b) the average rent assistance payment to single people under 21 years classified as non-sharers was \$23.15 per week.

(4) (a) At 29 August 1997 the average rent assistance payment to single people over 25 years classified as sharers was \$21.68 per week; and (b) the average rent assistance payment to single people over 25 years classified as non-sharers was \$29.06 per week.