COMMONWEALTH OF AUSTRALIA

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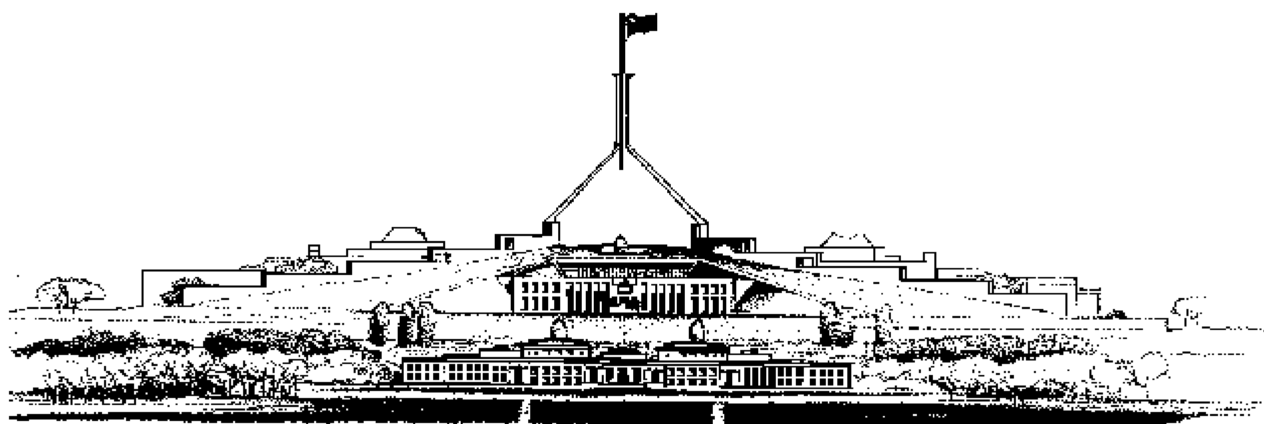

SENATE

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TUESDAY, 7 AUGUST 2001

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FIRST SESSION—TENTH PERIOD

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SITTING DAYS—2001

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February	6, 7, 8, 26, 27, 28
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Tuesday, 7 August 2001

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

QUESTIONS WITHOUT NOTICE

Commonwealth Property Holdings: Divestment

Senator SCHACHT (2.01 p.m.)—My question is to Senator Abetz representing the Minister for Finance and Administration. I refer to the minister's admission in response to a question without notice yesterday that:

> ... the ANAO did make some comments in relation to Commonwealth properties that have been sold.

And his claim that:

> ... the sales program has been highly successful.

Senator Alston—Tell us about Centenary House?

Senator SCHACHT—Has the minister actually read the ANAO report? Does he realise that this is a damning indictment of the Howard government's incompetence? Is he aware that the Governor-General's comments include the finding that the property sell-off is likely to result in a negative return to the Commonwealth within the lease-back period?

Senator Hill—Are you sure it was the Governor-General?

Senator SCHACHT—Is this what the minister regards as a highly successful deal for the Australian taxpayer?

Senator ABETZ—I understand that the Governor-General has made no comments on this.

Senator SCHACHT—Madam President, I ask a supplementary question. In view of the fact that Senator Alston interjected about Centenary House, I ask Senator Abetz—as he and other ministers have drawn the analogy with the Centenary House rental agreement—whether he will ask the Prime Minister to set up a royal commission to examine the property sell-off, as the Labor Party in government did in the case of Centenary House. Does the minister accept the Auditor-General's—*(Time expired)*

Senator ABETZ—I am not sure how this follows on from the Governor-General's alleged comments; nevertheless, I can assure the honourable senator that I am fully acquainted with the report. I can also indicate to the Senate that the government's policy on pursuing property sales was based on good, sound economic reasoning and also on the basis that we saw investment in the social wellbeing of the Australian people by paying off debt and therefore freeing up money as being better than owning bricks and mortar.

DISTINGUISHED VISITORS

The PRESIDENT—I draw the attention of honourable senators to the presence in the chamber of a parliamentary delegation from United Kingdom led by the Rt Hon. Donald Anderson. On behalf of honourable senators, I welcome you to the chamber and trust that your visit to this country will be informative and enjoyable

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Workplace Relations: Workers' Entitlements

Senator MASON (2.03 p.m.)—My question is to the Leader of the Government in the Senate, Senator Hill. Will the minister inform the Senate how the coalition government's policies have protected workers' entitlements? Is the minister aware of any alternative policies?

Opposition members interjecting—

Senator HILL—I do not understand the guffaws on the other side of the chamber, when this country has been subject to totally irresponsible and potentially ruinous strike action within the motor vehicle industry that has been justified by the union concerned on the basis that it is to protect the entitlements of workers. During the time of the last Labor government, the workers might have had an argument in that regard because, under 13 years of Labor in this country, there was no government scheme in place for the protection of workers' entitlements.

Senator Conroy interjecting—

Senator HILL—I will repeat that for Senator Conroy.

The PRESIDENT—Order! Senator Hill—

Senator HILL—Under the last 13 years of the Labor government in this country, there was—

The PRESIDENT—Senator Hill—

Opposition members interjecting—

The PRESIDENT—Order! Senator Hill, I am not surprised that you could not hear me, the level of shouting was so loud. I ask senators to abide by the standing orders and not shout when the minister is answering a question.

Senator HILL—Under the last 13 years of Labor there was no Commonwealth government scheme in place in support of workers' entitlements. Of course, that was the time of the great collapses: Quintex, Bond Corporation, Pyramid Building Society, Tricontinental and so forth. So it might well have been that workers under the last Labor government would have called for the Commonwealth to act in this regard. The contrast, of course, is that the Howard government has already acted. Under the Howard government, there exists an employee entitlements support scheme which provides for a maximum of $20,000 protection for workers who are left without their entitlements.

Senator Conroy—Bob Herbert walked away this morning.

The PRESIDENT—Senator Conroy, stop shouting.

Senator HILL—So the first and only national scheme has been introduced under the Howard coalition government and is currently in force. The scheme relies on both the Commonwealth and state governments making equal contributions and, as all honourable senators will now know, and I am sure they are pleased to know, the South Australian government has become the first state government to join the Commonwealth in this very important enterprise. That is in support of the Northern Territory government, which has already become a party. So we congratulate the South Australian government on accepting its share of the responsibility for this important task. It is a pity that the Labor state governments around Australia will not also join the Commonwealth in this important task.

To the end of July 2001, the scheme has paid out almost $9 million to about 4,500 employees across Australia. If the states had been a party to it that could have been up to $18 million. If the remaining states join the Commonwealth government, the scheme will provide people in those states with, on average, up to 70 per cent of their entitlements when a company is unable to pay after becoming insolvent—so an effective safety net at the national level for the first time in the history of our country. But state Labor governments, of course, still refuse to support it and that means the workers get less than half of what they could potentially get. One would have thought the ALP would be calling for the states to join the Commonwealth in this regard. But would Mr Beazley do that? Of course not, because he has not got the ticker!

Opposition senators interjecting—

The PRESIDENT—Order! There are senators on my left who have been persistently shouting during the minister's answer. That is contrary to the standing orders. Any such conduct interpreted as wilful may draw certain consequences.

Senator HILL—So what is the Labor Party alternative? It is to put up the superannuation guarantee, to put up the levy, to put up the price to small business and contribute to the cost that could lead to small business collapse. How can that be an alternative to the country as a whole sharing the burden? It is like the unionists who say 'Take a levy off the payroll.' The Labor Party says, 'Take a levy in the form of an increase to the superannuation benefit.' It is the same story we copped from Labor for 13 years.

Senator Cook—That's a lie!

The PRESIDENT—Order! Senator Cook, withdraw that remark.

Senator Cook—I withdraw. The minister told an untruth.

Senator HILL—It is the same old story: the Labor Party pushes up the cost to business and forces businesses to the wall. They did it for 13 years when they were last in office. *(Time expired)*

Commonwealth Property Holdings: Divestment

Senator LUNDY (2.09 p.m.)—My question is to Senator Abetz, representing the Minister for Finance and Administration. Why did the government adopt a 15 per cent hurdle rate for the sale of Commonwealth properties when, according to the Auditor-General, 15 per cent is considered high by industry standards for a diverse property portfolio, and the department's own consultants in 1999 found that a 10 per cent rate was an appropriate one?

Senator ABETZ—In setting the rate at 15 per cent, it is true to say that the government was expressing a preference to not be a property owner. However, this rate was set after much consideration based on expert advice which led this government to the view that its funds could be put to better use than tied up in bricks and mortar as a passive property investor. As I said yesterday—and I thank the Labor Party for the opportunity to repeat this—by selling these buildings we have been able to retire $58 million of the $96 billion worth of debt that Labor had left us. As a result, the taxpayers of Australia were having to pay $4 billion per annum in servicing the interest component on Labor's debt. By selling these buildings, we have freed up the interest payments—

Opposition senators interjecting—

The PRESIDENT—Order! If senators on my left have questions, they can ask them at the appropriate time, which is not shouting during the minister's answer.

Senator ABETZ—By selling these buildings, we have been able to forgo the required interest payments. As a result, that money has now been freed up for the social benefit of this country, for increased funding in education, in health and in indigenous affairs. It is mighty strange that the Australian Labor Party would prefer taxpayers' hard earned money to be paid on interest bills rather than on the social benefits that we as a government have been providing. I note that my colleague Senator Vanstone has a most impressive list of the government's social achievements when it comes to the reduction in unemployment and the reduction in reliance on welfare. All those things have flown from 5½ years of sound economic management, and part of that sound economic management has been the strategy overseen by the minister for finance.

Senator LUNDY—Madam President, I ask a supplementary question. The minister has confirmed that the government took the decision to get out of property management and, just to remind the Senate, Minister Fahey, in the *Australian* on 3 August, said:

> The Government decided some years ago that it did not want to be a property owner ...

Will you now admit the minister directed the Department of Finance and Administration to recommend a hurdle rate which would justify that decision, regardless of the long-term cost to the taxpayer?

Senator ABETZ—One thing I can assure the Senate of is that we as a government would never enter into the sorts of arrangements that Senator Lundy's party did whilst they were in government with a $36 million rort on the Australian taxpayer with the Australian National Audit Office rental of space in Centenary House. As I have said before and I will continue to say it: I have that 50c that I offered Mr Beazley to make a phone call to cancel that outrageous lease agreement. It is still in my pocket; it is still available for Mr Beazley.

Senator Lundy—Madam President, I rise on a point of order on relevance. I asked a very specific question and I ask you to direct the senator to answer.

The PRESIDENT—I am sure the minister is aware of the question.

Senator ABETZ—I have finished.

Motor Vehicle Industry

Senator TCHEN (2.13 p.m.)—My question relates to an issue of great national importance, especially at this time. My question is to the Minister for Industry, Science and Resources, Senator Minchin. Will the minister advise the Senate of how the government's economic policies are helping to create an internationally competitive motor vehicle industry in Australia? Would the minister also advise the Senate on what the government is doing to boost our successful car

export performance, and is the minister aware of any alternative policies?

Senator MINCHIN—I thank Senator Tchen for his question. The automotive industry makes a huge contribution to our export performance. I must inform my National Party friends in particular that automotive exports now rank ahead of even wheat, wool or beef, which shows just how important this industry is. Today Minister Vaile and I announced that automotive exports from Australia reached a record $4.65 billion in the financial year just completed—a 23 per cent increase on the previous year. Exports of motor vehicles were up 41 per cent in the last financial year. That was an outstanding performance by a great Australian industry. Australian vehicles are now exported to 23 countries. Our biggest market is the Middle East. Over $1.2 billion worth of Australian cars go to Saudi Arabia alone, our No. 1 car destination. The Australian made Toyota Camry is now the top selling car in Saudi Arabia. The Holden Calais, made in Adelaide, is the top selling luxury car in Brazil. The biggest market for automotive components is now the United States, with nearly half a billion dollars worth of automotive exports to the US. It is a fantastic success story backed up by a very good car industry policy.

Of course, that fantastic record of success is all at risk if the AMWU keeps going with this crazy campaign of industrial sabotage against this great Australian industry. What is particularly tragic is that, even if the workers at Tristar obey the industrial commission, as they should, and return to work, the AMWU is threatening to hit every single company in the car industry with the same unacceptable log of claims. Frankly, not even the Labor Party is supporting Manusafe. This rogue union is threatening nearly every single company in the car industry over the months ahead with this campaign, even if the Tristar issue is resolved. This will do incredible damage to what is a hard won reputation by Australia as a reliable supplier of vehicles to the world.

The AMWU's behaviour now is even worse than when Senator George Campbell was running it back in the early 1980s. Back in the bad old days of the 1980s he was single-handedly responsible for 100,000 metal workers losing their jobs. What we have now is an AMWU which is single-handedly responsible for 12,000 automotive workers being stood down. The jobs of 50,000 workers in this industry are being threatened by this campaign of industrial sabotage. It is extremely difficult to win overseas markets for our cars. The car industry and its workers have produced the sorts of cars which can compete on world markets. We will lose those markets if we are threatened in our reliability by this campaign.

Workers all over the country are being stood down by this campaign. Just in my home town of Adelaide, every single worker at the Bridgestone plant at Edwardstown—450 workers—has been stood down. Bridgestone has accurately described the situation as 'absolutely disastrous' for the company, its workers and the car industry. The AMWU is recklessly threatening investment in this industry. It is recklessly threatening our export markets that we have done so much work for. It is threatening 50,000 jobs in this great Australian industry.

Of course, the Labor Party, and Mr Beazley in particular, have been absolutely deafening in their silence. If there is one thing you pick up about Mr Beazley when you go around the traps it is that he is a weak leader. He is weak in the face of the AMWU. He will not stand up to the AMWU. If he is ever Prime Minister of this country, the AMWU will walk all over him. He has not earned the right to be Prime Minister of this country. *(Time expired)*

Commonwealth Property Holdings: Divestment

Senator CONROY (2.18 p.m.)—My question is to Senator Abetz, representing the Minister for Finance and Administration. Does the minister accept that the Department of Finance and Administration is bound by regulation 9 of the Financial Management and Accountability Act, which provides that a decision to spend public money cannot be made 'unless the relevant approver is satisfied ... that the proposed expenditure ... will make efficient and effective use of the public money'? If so, how does he explain the de-

partment of finance's advice to the ANAO in April this year that 'its role was to implement a property divestment program endorsed by ministers and that it was not charged with the role of protecting the overall interest of the Commonwealth'?

Senator ABETZ—The Australian Labor Party with their questions today have shown the Australian people what they would do if they were to get back into government. The only time that they are interested in the leasing of properties for government instrumentalities is when they can do the sorts of deals that the Labor Party did on Centenary House, which has ripped off $36 million above and beyond the market rental. I will continue to repeat that to the Australian people because it shows what the Australian Labor Party are all about. If they are genuine about saving Australian taxpayers' money, why do they not cancel the Centenary House lease? The reason they do not is that they know that it gives the Labor Party $36 million. All it takes is one phone call from Mr Beazley to stop that rort.

Senator Conroy—What about regulation 9?

Senator ABETZ—I suggest to Senator Conroy and his colleagues opposite that actions speak so much louder than words. If they were genuine about saving taxpayers' money, they could make a phone call free of charge, because I am willing to donate the 50c. Indeed, Senator Bolkus could use his expertise and we could get a free phone call. We could save the Australian taxpayer literally millions of dollars by the Labor Party stopping their rort.

In relation to the sale of the buildings and the Auditor-General's report, Mr Fahey has made a number of statements. Indeed, there was a very sensible article, I thought, in the *Canberra Times* by Mr Richard Mulgan. He was suggesting that there might be a slight incursion into the area of policy. An ongoing debate that has taken place within Australia has been that of auditors-general going into policy areas.

Senator Conroy—What about regulation 9?

Senator ABETZ—Senator Conroy also asks about regulation 9. Much as I would like him to take my advice from time to time, I am not sure that I am here to offer him free legal advice on the basis that I am not 100 per cent sure as to exactly what he means. Sure there is a financial management act, there are regulations under it, and the law is undoubtedly clear. If he needs clarification on the legal considerations, I suggest that he get his own legal advice because, as I understand it, getting legal advice across the chamber does not comply with the standing orders.

Senator CONROY—Madam President, I ask a supplementary question. I am pleased to see the minister is so bashful today. If the property sell-off was an efficient and effective use of public money, how does the minister explain the fact that after as little as eight years the taxpayers will be in the red?

Senator ABETZ—What the Labor Party are doing is taking a very slavish economic rationalist approach to this issue, because they are failing to take into account the social opportunity cost for the Australian people. The money that we spend today on people's health, on people's education and on indigenous affairs is a lot better investment of the Australian taxpayers' money for future out years than owning bricks and mortar and paying interest rates on the debt that the Labor Party incurs. I would invite the Australian Labor Party to consider the social opportunity costs and not look at it in a blinkered, bean-counting way that certain other elements have unfortunately encouraged them to do.

Homelessness: Government Policy

Senator BARTLETT (2.23 p.m.)—My question is to the Minister for Family and Community Services. I refer to the report of the government's Advisory Committee on Homelessness, which has just been released, that states that there is significant evidence that appropriate employment assistance can prevent and alleviate homelessness. The report also finds that Centrelink and the Job Network are not well linked with supported accommodation assistance programs and other homelessness services, and that job placement, education and training services

which provide employment assistance to homeless youth do not address the needs of homeless unemployed aged between 21 and 35 or those older people lacking modern job skills. Is the alleviation of homelessness a policy priority of this government? If so, what will the minister do to rectify such a major failing in the delivery of employment assistance to ensure the needs of the homeless are better addressed?

Senator VANSTONE—I thank the Senator for the opportunity to comment on homelessness, in what is National Homeless Persons' Week. We chose to release the report of the Commonwealth Advisory Committee into Homelessness on Sunday so that it would be available during this week and would hopefully get attention and further discussion during this week.

Senator Bartlett may be aware that the people who put that report together are largely people who are at the coalface in that area. It has been put together by people who are specialists, and who are recommending that a number of things be taken into account by the government in finalising a national homelessness strategy. We released the report because we want to move now from the comments of those who are experts in the field as it now is, to getting comments from people who are broader practitioners in the field—from various parliamentary people in the federal sense, from the states and from other service providers. We welcome the report. Sure, there are things that the report indicates need changing. There would not have been any point in asking for a report, in asking for advice, if we did not want to listen to it. More particularly, there would be no point in asking for a report if we did not recognise that there were things that could be improved. That is exactly what we did. We set about getting the people who are specialists in that area to advise on what can be done.

In addition to the commitment through the report, there is a range of other things that are being done. As you may well understand, Senator, the Prime Minister had his task force on homelessness. I think it is the first time a federal government has done that. It has been a constant priority for this government and a particular personal interest of the Prime Minister's. But over and above the task force and the committee to advise on a national homelessness strategy, we have got a range of other programs that we have been working through, that have been of particular help. Quite apart from the separate and particular programs—for example, the Supported Accommodation Assistance Program—I recall answering a question from Senator Bartlett in the last sitting fortnight indicating that Centrelink acknowledged that, in the breaching of rules, there are some people who have particular problems, and we have set up some pilots to try and handle those people. One specific example of that is homelessness. We do not want to make an exemption and simply say, 'You do not have to follow the rules,' but we do understand that we need to have an approach to dealing with the homeless that specifically acknowledges the difficulties they have.

There is a wide range of recommendations in the report. I am not going to pick out any particular one or respond to any particular one that you might raise. We will be consulting widely on this. I hope everybody here who has an interest in this area does consult and comes to a final debate on it when we have a government response, which will be the settling of a national homelessness strategy. I am very proud to be part of a government that have made this an issue federally and not simply left it with the states, that have tried to indicate that they are prepared to take national leadership and that have put money into the area and listened to experts. As is typical of this government in building what we say is a social coalition, we will continue to listen—not after we have made the policy but before we make it.

Senator BARTLETT—Madam President, I ask a supplementary question. Given that the minister has acknowledged that the report has been produced by specialists who are at the coalface and that it clearly highlights that there is a growing problem with the adequate availability of affordable housing and a clear unmet need in assistance for the homeless, can the minister indicate, firstly, what the timetable is for the government's response to this, given the immediacy

and significance of the problem, and, secondly, whether the government will consider using some of the millions of dollars it recoups through breaching to provide extra resources for funding in the housing and homelessness area.

Senator VANSTONE—With as much haste as we possibly can, we will be responding. But, as I indicated in my answer and as you understand, this has been put together largely by practitioners in the field and we do now want a broader consultation process on it. I would hope that that would be sooner rather than later, but I cannot put a specific date on it. I think that would just be playing a game.

As to the issue of more dollars, I will come back to you with a list of the programs we have already committed to and the amount of money that we are spending, which is a tremendous amount. I do not say that to indicate that we should say that that is enough. This is a very significant problem. It is completely unacceptable that we can have over 50,000 people in Australia judged as homeless on any one night. We might have arguments about the definition of 'homelessness'—I do not believe, for example, that someone living in a caravan park is homeless, whereas I think the Queensland government does—but none of us disagree with the simple proposition that we have a problem of homelessness. It is too high, and we all have to work together to fix it. *(Time expired)*

Auditor-General: Efficient Use of Public Money

Senator LUDWIG (2.29 p.m.)—My question is to Senator Abetz representing the Minister for Finance and Administration. Is the minister aware of the Auditor-General's statement that:

> ANAO's legal advice is that if there is a conflict between the efficient and effective use of public money and the requirements of the Commonwealth Property Principles it would be prudent to seek guidance or reconsideration of the policy.

Did Finance seek such guidance or reconsideration of the policy?

Senator ABETZ—The key words, I think, were 'the efficient and effective use of public money', and of course that is something that the Australian Labor Party never did when they were in government. In fact, when the current Leader of the Opposition was Minister for Finance, he said to the Australian people that the budget was in surplus when in fact, as we all know, it was $10.3 billion in deficit. In comparison, we have been turning out budget after budget in surplus and we have been paying off the Labor Party debt. What they were doing by running up all this debt was saying, 'Let's live it up as a nation today at the expense of tomorrow's generation and lumber them with a debt.' We as a government said that that was irresponsible.

We in fact believe in intergenerational responsibility when it comes to budgetary matters and, as a result, we said that we, as this generation, would need to live within our means so that we would not leave a legacy of debt, as the Australian Labor Party did—a budget $10.3 billion in deficit with a $96 billion total debt. Of course, the interest payments on that were huge, and the Australian taxpayers' hard-earned money was being used to pay the interest bills on the Labor Party's extravagance. We have freed up the taxpayer from that burden by cashing in on some of our investments, paying off Labor's debt. As a result, we have been able to engage in what I have described before as social opportunities. With respect, when decisions are made as to the efficient and effective use of public money, it is for the government of the day to make the determination whether moneys should be spent today for the benefit of education, health and indigenous affairs as opposed to paying off Labor's huge interest bills.

I am more than willing to engage the Australian Labor Party in a debate on this issue if they want to. They can justify to the Australian people why they had high interest rates, why they had high unemployment, why they had the huge deficits—why all the negatives were high—whereas with us inflation is down, unemployment is coming down and interest rates are coming down. I say that in no self-congratulatory way on behalf of the government, because we fully recognise

that a lot more needs to be done to get those figures down even further.

What height of audacity for the Australian Labor Party to come into this place and try to hector us about the efficient and effective use of public money. With the legacy that Mr Beazley left us, I would have thought that they would want to steer away from that issue. But, if they want to embrace it, we will engage them, because we already know that the only use of public money that the Labor Party want to undertake is to ensure that there is more of it through higher taxes. We say that you can balance the budget; you can deal with the social needs of this nation by reprioritising paying interest on Labor's big bills, paying those debts off, freeing up the interest money for the social opportunities that we can provide through increased expenditure on education, health and indigenous affairs.

Senator LUDWIG—Senator Abetz did not answer the question. Perhaps he could take it on notice. The question I asked was: did Finance seek such guidance or reconsideration of the policy? There was no answer in respect of that. Perhaps he could take it on notice and perhaps he could answer this supplementary question: is the minister aware of the Auditor-General's statement:

> In circumstances where a proposed sale of Commonwealth property does not appear to represent value for money at the time of the final sale, it would be good administrative practice for Finance to inform Ministers of the inquiries undertaken and seek their consent before proceeding with the sale.

Did Finance follow such 'good administrative practice'? If not, why not?

Senator ABETZ—I would have thought that Senator Ludwig has been in this place long enough to know that we are the elected government and not the elected officials of Finance, and, when we as a government make a policy decision, as we have, it is appropriate for the Finance officials to follow up and carry out that policy. I would suggest to Senator Ludwig that he read the article, which I referred to in a previous answer, that appeared in the *Canberra Times* today. We as a government make policy; the Department of Finance and Administration advises us from time to time. We decide as a government whether or not to accept that advice because we take a whole-of-government approach. Unlike the blinkered approach of the Australian Labor Party on this issue, we have also factored in the social opportunity benefit to the Australian people by our policies, as opposed to the very narrow and blinkered approach that has been evident in the Labor Party in today's question time.

Drugs: Nexus between Soft and Hard Drugs

Senator BROWN (2.36 p.m.)—My question is to Senator Ellison, Minister for Justice and Customs. I ask: is the minister aware that, in the Netherlands, allowing marijuana to be sold in designated cafes while at the same time ensuring that harder drugs such as heroin are not trafficked in those vicinities appears to have broken the nexus between the use of soft and hard drugs? Given the best estimates that 40 per cent of Australians have used marijuana—and 60 per cent of young Australians; indeed, three million Australians in the last year alone—what is the government doing to break the nexus between soft and hard drugs in this country? What does the minister say to the statistics of like countries, the Netherlands and Australia? About 1,000 Australians, mainly young Australians, are dying of heroin overdosage each year, whereas in the Netherlands the number is just 50 people per annum. Does the government have some other reason for that disparity in statistics and, if not, will it look at implementing the Netherlands drug law reform in this country? *(Time expired)*

Senator ELLISON—The government stands on its record in relation to its Tough on Drugs policy, which requires a three-pronged attack on the problem of drug abuse in Australia today—that is, dealing with law enforcement, education and health. In relation to the question that Senator Brown has put to me, recently I met with the Under-Secretary-General of the United Nations, Mr Pino Arlacchi, whose responsibility covers drugs and crime. He congratulated the federal government on its stand on the drug problem in Australia generally.

Senator Brown has singled out the Netherlands experience. There are certainly other

aspects to take into consideration when you look at the Australian experience. In its approach to Tough on Drugs, the Howard government has spent over $500 million in dealing with things like diversionary programs—touching on the very problem that Senator Brown has mentioned in relation to heroin. Tough law enforcement has resulted in, according to the Australian Bureau of Criminal Intelligence, a heroin drought in our capital cities, which was recently acknowledged at a Ministerial Council on Drugs. We have seen a marked reduction in deaths from heroin overdoses, particularly in Victoria, where it was cited as being a reduction of over 80 per cent.

Although we are making inroads in that regard, there is still a lot more to be done, and the government are the first to acknowledge that. But we do say this: our policy is working. It is working because we are attacking this problem on three fronts: health, where our diversionary programs, which we are funding for the states and territories, are getting through to the grassroots, through to community programs and court diversionary programs; education, where for the first time we have a national schools drug strategy—for the first time ever at the national level we are educating the next generation of Australians, so that will reduce demand; and, finally, law enforcement, where we have had record drug seizures and in the last four years we have funded the Australian Federal Police with new money of over $300 million to do their job properly. That is getting results, and we as a government are committed to dealing with the drug problem on all those three fronts.

We do not believe that going soft on drugs is going to work and we do not believe that the approach which the New South Wales government has adopted with its heroin injecting program is working either. The opposition's 28-page so-called drug plan is a rehash of diversionary programs already in existence. It devotes only one page to education, which is one of the most important aspects in fighting the drug problem, and it has very little on law enforcement. That outlines in brief summary the government's approach to the drug problem, how we are going about it, how we will make inroads on this problem, but it will take time.

Senator BROWN—I ask a supplementary question, Madam President. My question really was not about criminalising criminals who deal drugs—I agree with that—it is about criminalising citizens who use marijuana. The statistics show that that might be more than half the Australian population, when it comes to youngsters, and the problem this causes in leading to the use of hard drugs. Is the minister aware that Portugal has now joined Spain and Italy in decriminalising the use of both hard and soft drugs? Is the minister aware of the reasons for those countries taking that alternative to the simplistic, hard-on criminalisation which he espouses?

Senator ELLISON—Senator Brown might have a look at the South Australian situation a bit closer to home, where they are looking at in fact tightening the situation that they have in South Australia because the policy previously adopted in relation to marijuana is not the best one. A lot of research shows that marijuana can be a precursor to harder drugs. That question is one which is being debated in the community and one which has not been resolved in the way that Senator Brown would say that it has.

This is a serious question, and glib references to countries in Europe which might change their stance do not provide a situation or example which is relevant to Australia necessarily. There are health problems in relation to marijuana, and there are is a lot of research which would show that. My answer demonstrates our total approach to Tough on Drugs. *(Time expired)*

Commonwealth Property Holdings: Divestment

Senator MURPHY (2.42 p.m.)—My question is to the Minister representing the Minister for Finance and Administration. Is it true, as stated by the Auditor-General, that Finance was aware that tax depreciation was an issue affecting the sale price of properties, that the department's advisers advised in March 1997 that depreciation schedules should be provided and that common commercial practice is to provide depreciation

schedules to facilitate financial analysis by investors? Why then, again according to the Auditor-General, did the department not provide prospective purchasers with schedules of depreciable assets for the properties to be divested?

Senator ABETZ—As indicated earlier, the department obtained qualified expert advice in relation to these sales.

Senator Conroy interjecting—

Senator ABETZ—What is more, there were people in the marketplace willing to buy these properties at above market value, Senator Conroy. So the return to the Australian taxpayer was in fact in the most recent lot an extra $131 million, which of course went to paying off the Labor debt that was left to us. We know what the Australian Labor Party's answer to all this is. Senator Conroy let the cat out of the bag when he said that they would increase taxes. He got a bollocking from his leader for it but, interestingly enough, Mr Beazley has now jumped on board. During the Aston by-election, he told the Australian people what his tactic would be. He told us all that the Australian people were not overtaxed.

When the Australian people have to pay literally billions of dollars of their hard earned taxes on paying off the interest bills incurred by the Australian Labor Party, then we say, 'Let us try and reduce that burden on the Australian taxpayer.' And of course each time we are able to reduce the debt that the Australian government owes—indeed, the Australian people owe— thanks to the Australian Labor Party, what does it do? It highlights the economic incompetence of the Australian Labor Party. So when we do these things to reduce the debt in this nation, the Australian Labor Party comes around like a little terrier trying to take a nip here and a nip there out of your heel. But I think what the Australian people did to the Australian Labor Party at the Aston by-election is indicative of the fact that the Australian people do not accept their remedies for the economic problems that this nation faced.

As I said before, after 5½ years there are some real social opportunity benefits coming to the Australian people, but the job is not yet done; a lot more needs to be done. And I think the Australian people are becoming mindful that, if the government benches were ever to be returned to the Australian Labor Party, the good work of the past 5½ years would be undone. We would see unemployment rise, inflation rise and debt rise and of course the social benefit to the struggling people of Australia would not be there anymore. So we make no apology for our policy position in relation to the sale of government properties that has in fact allowed the Australian people to shed some of the unconscionable debt that was placed on them by the previous Labor government.

Senator MURPHY—Madam President, I ask a supplementary question. Given the minister's answer, why has the Auditor-General stated that the provision of schedules of depreciable assets would have enhanced sale proceeds? Just how many millions of dollars were forgone by taxpayers by the department of finance's negligence?

Senator ABETZ—If I heard Senator Murphy correctly, he said it would enhance sale proceeds. In other words, we were selling buildings and the proceeds coming to us would be enhanced. So what he is complaining about is that the tactic we as a government adopted in selling these properties has in fact enhanced the sale proceeds. In other words, we plead guilty to the Australian taxpayer getting a good return, because it enhanced the sale proceeds. The figures speak for themselves: there was a net gain to the Australian people in that it exceeded revenue targets by $131 million or 15 per cent and, as a result, we were able to pay off more of Labor's debt and spend more money on those important and urgent social needs that the Labor Party forgot in their anxious attempt to increase debt. *(Time expired)*

Electoral Funding

Senator FERRIS (2.48 p.m.)—My question is to the Special Minister of State, Senator Abetz. Will the minister confirm that donations made to political parties must be declared under the Commonwealth Electoral Act? For what reason were these disclosure laws implemented?

Senator ABETZ—I thank Senator Ferris for her important question and her ongoing interest in these issues as a member of the Joint Standing Committee on Electoral Matters. I can confirm that donations above $1,500 made to political parties must be declared under the Commonwealth Electoral Act. Public disclosure was introduced by the Labor Party in the hope that it would intimidate donors from giving to the Liberal and National parties. No sooner had the laws been introduced, however, than Labor sought ways around them, and over the years they have raised it to an art form.

Opposition senators interjecting—

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

Senator ABETZ—There were the infamous Markson Sparks dinners, and then we have the recent revelations concerning the McKell Foundation, a slush fund enabling Mr Brereton to travel the world embarrassing Australia. When the disclosure laws were introduced, however, the Labor Party's public line was that it was all about transparency and accountability. They suggested that it would reveal links between moneys donated and favours subsequently done in return.

The Australian Electoral Commission's records indicate that in the financial year 1999-2000 the Australian Manufacturing Workers Union and affiliated unions donated no less than $680,000 to the Australian Labor Party, the political wing of the trade union movement. In the financial year 1998-99, an election year, the AMWU poured over $1 million into Labor coffers. Only a few weeks a year ago, the National Secretary of the AMWU, Doug Cameron, promised a half-million-dollar marginal seats campaign in support of Labor.

People hearing these figures may well be inclined to wonder what the AMWU would expect for their generous donations, apart of course from their token Senate position occupied by Senator George Campbell. People may well then reflect on the Labor Party's deafening silence on the issue of the Tristar dispute, a strike that is denying 12,000 Australians the right to work. The AMWU's donations over the past two years reveal $843,000 donated by the New South Wales branch, compared with only $465,000 donated by the South Australian and Victorian branches combined. Could that be why the few workers at Tristar in New South Wales have been given precedence over 12,000 workers predominantly in South Australia and Victoria? Clearly the national interest does not rank among the Labor Party's priorities.

It is good to hear that they have gone silent, because earlier on all the noise and all the vindictiveness that was being directed at me should have been directed back to Mr Doug Cameron and the AMWU and their job destroying union heavies. Where is the Labor leader in all of this? I note a reluctant statement from Mr Beazley timidly suggesting that the Tristar workers obey the law and return to work. He has failed another test of leadership. He has answered the call of the donor and has failed to answer the call of the nation.

Commonwealth Property Holdings: Divestment

Senator SHERRY (2.52 p.m.)—My question is to Senator Abetz, representing the Minister for Finance and Administration. The minister has assured the Senate that he is fully acquainted with the recent Auditor-General's report on property sales. Given that, can he confirm this finding of the Auditor-General:

> During evaluation of tenders in April 2000, the sales adviser managing the sale assessed the terminal value of the [AGSO] property to be $15 million which essentially reflected that the 20 year lease represented the economic life of the property. After the May 2000 sale, that sales adviser re-assessed the terminal value to $121.5 million in July 2000, based on an economic life of the building of 40 to 50 years.

How does the minister explain such a huge discrepancy?

Senator ABETZ—I thank Senator Sherry for his question. First of all, he asks me to make comment or confirm what the Auditor-General may or may not have said. I am sure Senator Sherry has the capacity to read the report and is able to determine for himself the matters in which he professes to have some interest. As I have said on a number of

occasions during this question time, and I will repeat it again: we as a government got good financial advice, expert advice, in relation to the sale of these buildings. It is amazing that the Australian Labor Party do not want the Australian people to know that the total proceeds exceeded revenue targets by $131 million, or 15 per cent. On one side, we as a government undertake a property deal where we get more than $131 million, above and beyond the market value, for the benefit of the Australian people. When the Australian Labor Party do a property deal, they make sure that there is $36 million above market value for the benefit of the Australian Labor Party through Centenary House.

Centenary House is going to hang around Mr Beazley's neck until such time as he makes that phone call to Centenary House and to the Labor Party and tells them to stop it and to renegotiate the lease. Until he renegotiates the lease, he has lost all credibility when he and his foot soldiers, like Senator Sherry, get up in this place trying to talk about saving money for the Australian taxpayers. They could be saving $36 million today, as we speak, for the Australian people. Whereas they rip off the Australian taxpayer with their property deals for the benefit of the Australian Labor Party to the tune of $36 million, we in fact do property deals where we get a net benefit of $131 million for the Australian taxpayer. No wonder the Labor Party is so embarrassed on this issue.

When you put our record next to theirs, it is one of gross embarrassment for the Australian Labor Party, especially when you consider that financial management is an issue close to the hearts of the Australian people. They are concerned about it, and they still remember that people like Mr Beazley went around during the last election promising that there was a budget surplus when in fact there was a $10.3 billion deficit. Senator Sherry and his colleagues who were there at the time went around saying the same thing. They may well have been misled by Mr Beazley, and I accept that, and therefore Senator Sherry was not necessarily personally complicit in it, albeit he was on the front bench at the time. But Mr Beazley has no excuse, because he was the Minister for Finance. The Australian Labor Party—people such as Senator Cook and Mr Beazley—sat around the cabinet table at the time of the Centenary House deal, and they have never come clean on that issue. It seems to me that the Australian Labor Party are just trying to run around and whip up the odd issue on this, because they are very embarrassed by the sound performance of our Minister for Finance and Administration, Mr John Fahey.

Senator SHERRY—Madam President, I ask a supplementary question. The issues relate to this government's financial management. How on earth can anyone estimate the terminal value of a building to be $15 million and the economic life of a building to be 20 years and then, a mere three months later, increase that estimate by a factor of eight and more than double the estimate of the economic life of a building? Isn't that at the very least monumental incompetence?

Senator ABETZ—Senator Sherry unfortunately has a bit of a record on this: he comes into this place asserting certain things and then you find out later that they are not correct. I note that Senator Sherry has had this capacity especially with questions to my colleague Senator Rod Kemp. I might have a look at what Senator Sherry says but, quite frankly, I would not believe it on face value.

Veterans: British Nuclear Tests

Senator ALLISON (2.58 p.m.)—My question is to the Minister representing the Minister for Veterans' Affairs. I refer to the nominal roll of 17,000 people exposed to the British nuclear tests in Australia and ask: why is the government only proceeding with epidemiology studies when there are now blood tests which can show exact radiation exposure even 50 years ago? Is the minister aware that New Zealand is using those blood tests on their servicemen? Isn't it the case that the range of possible blood cancers means that epidemiology will not be statistically useful and will not tell us the real risks to which people were exposed?

Senator MINCHIN—I acknowledge Senator Allison's interest in this. We share her interest in ensuring that the right thing is done in relation to veterans of Australia's

atomic testing program. As Senator Allison has alluded to, we are establishing a nominal roll of participants. The Department of Veterans' Affairs has recently completed a preliminary version of the nominal roll containing 16,716 names for public input. The specific question from Senator Allison was in relation to epidemiological studies that New Zealand is apparently using. The advice to me, through you, Madam President, to Senator Allison is that the New Zealand tests are largely unproven, whereas the Australian Department of Veterans' Affairs has a long association with proven epidemiological studies. Those studies have been very successful and are responsible for extending benefits to veterans. A case in point is the recent Vietnam Veterans Health Study. The government, on the basis of that position, has no intention of changing its methodology at this time. I am also advised that the New Zealand government is testing 50 of their veterans of the Christmas Island atomic tests. The Department of Veterans' Affairs will be watching with interest the rigour and outcome of those tests and we will take close account of them.

Senator ALLISON—Madam President, I ask a supplementary question. That being the case, Minister, perhaps you could explain what the budget is for the proposed epidemiology study. Also, can the minister supply the statistical power calculation for that study? Can I just point out to the minister that I asked about blood tests, not about epidemiology in New Zealand. It is my understanding that blood tests can now detect radiation exposure even 50 years ago and beyond.

Senator MINCHIN—I was referring in my comments to the views of the Department of Veterans' Affairs on those New Zealand blood tests: that they are largely unproven but that the department is watching closely the New Zealand government's testing of 50 of their veterans and will take it into account in its future work. In relation to the budget and the other question you asked, I will have to take that on notice and get you an answer as soon as I can.

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

ANSWERS TO QUESTIONS ON NOTICE

Question No. 3531

Senator O'BRIEN (Tasmania) (3.01 p.m.)—Pursuant to standing order 74(5), I ask the Minister representing the Minister for Transport and Regional Services, Senator Macdonald, for an explanation as to why an answer has not been provided to question on notice No. 3531, which was asked on 22 March this year.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (3.01 p.m.)—I understand that the question is a question on land transport to Mr Anderson, whom I represent in this chamber. Senator O'Brien had alerted Mr Anderson's office to the fact that he would raise this matter. I understand that Senator O'Brien has been told that the answer has been prepared by the department and is on its way to Mr Anderson's office. I am told that it is anticipated that Mr Anderson will be signing off on it tonight and that it will be tabled tomorrow.

Senator O'BRIEN (Tasmania) (3.02 p.m.)—I move:

> That the Senate take note of the minister's response.

Madam President, you would recall that I raised this very matter in this place on 25 June. Prior to that date, I asked the department about the progress of the answer in the estimates hearing on 31 May and was told that the plan was to complete the answer the following week. My office wrote to Mr Anderson's senior adviser on 15 June in relation to this question. We were then advised that the answer would be available at the end of the week starting 18 June or very soon thereafter.

Then we had Senator Macdonald in this place on 25 June apologising for the fact that the answer had not been provided in a timely manner. Senator Macdonald told the Senate that the government had not provided this sort of detailed information about road funding before. He said that even the states

were provided with only the portion that is relevant to them. Senator Macdonald said that he had been advised that the department had prepared a response—this is at 25 June, I remind the Senate—and that it was close to being tabled. One can understand, therefore, the caution with which Senator Macdonald today conveys the advice which has apparently been given to him by Minister Anderson's office. I understand that he is in this case only the messenger and is not responsible for what is going on in the minister's office. I am sure that he has been unwittingly embarrassed by the lack of delivery on the promise which he gave the Senate when this matter was before it on 25 June, some seven weeks ago.

Since that commitment from Senator Macdonald—a commitment which I accepted in good faith—my office contacted Mr Anderson's office on three occasions. On the first two occasions, my adviser was told that the whereabouts of the answer to question No. 3531 would be checked and that we would be advised of its progress. My office again contacted Mr Anderson's office last Monday and was advised that the answer to my question had been lost.

Senator Carr—What? Lost?

Senator O'BRIEN—That is correct: the answer had been lost. Mr Anderson had lost the answer to my question. It sounds uncomfortably like the 'my dog ate my homework' excuse, frankly. The approval and release of that answer, which only deals with how much money is being spent on or is committed to the national road system, is a matter for Mr Anderson, and Senator Macdonald is just the unfortunate messenger in all of this. It is not information that, on the face of it, should be contentious; it is information that would have been readily available because it is information that the Commonwealth regularly provides to each state transport department. I accept that every department does not get every other state's figures, but all the figures go to all the state departments so it was information which was readily available.

I can only assume that Mr Anderson has chosen to delay the answer and to embarrass both his personal staff and his colleague Senator Macdonald. Mr Anderson is the man who sacked his former senior adviser and his land transport adviser because he, Mr Anderson, had allowed the Prime Minister to go on commercial radio and embarrass himself on road funding. It was Mr Anderson, not his staff, who should have been given the boot. Mr Anderson's administration of the transport portfolio has not been one which has demonstrated great competence. The portfolio area is a shambles, one would have to say. Whether you turn to aviation, shipping, road or rail transport, there have been crises after crises. The only saving grace is that within months there will be an election and Mr Anderson will no longer be the minister.

I do sympathise with Senator Macdonald. In this matter the fault does not, I am sure, lie on his part; it lies with Mr Anderson. I accept that Senator Macdonald gave to the Senate chamber the advice that he was given by Mr Anderson's office, to then find that seven weeks later we are back in the chamber raising the same matter. Senator Macdonald says that he is now promised that the answer has been found, is being checked and will be provided shortly. Well, we will be watching that matter, Senator Macdonald. As I said, I do not personally blame you for the delay; I blame Minister Anderson's office. I would also advise Senator Macdonald that there are a number of other outstanding questions which I wish to pursue in the next few days and I will advise his office shortly of the details.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (3.07 p.m.)—I think I can take Senator O'Brien's comments as truthful, and on that basis I apologise to him. If that is the story, I am embarrassed. That situation in the department I share with Mr Anderson is not acceptable. Apart from apologising to Senator O'Brien and to the Senate, I can only suggest to Senator O'Brien that if those things happen in the future he ring me personally, particularly in cases in which I have given an undertaking that something would be filed the following day. Shortly before Senator O'Brien got to his feet, I was advised an issue on a particular question number was go-

ing to be raised. Since Senator O'Brien has spoken, I am a little bit more informed about which question it is. It was just a number to me prior to that.

The question required a great deal of detail in response. If that is the question and if my department cannot provide the information, then we should tell Senator O'Brien that. If we intend not to give him the information for some reason or other, we should tell him that, argue the case and have the barney. But I am disturbed that I have given an undertaking to Senator O'Brien which obviously, on what he says, has not been met.

I cannot add much more, except to repeat that, in those instances where I have given an undertaking and it has not been complied with, I would ask Senator O'Brien to contact me personally in future and I will make sure that the undertaking is complied with. The advice I am given is that the material is available and is about to be tabled. I will personally follow that up, and if it is not the case then I will tell the Senate tomorrow.

Question resolved in the affirmative.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Commonwealth Property Holdings: Divestment

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.10 p.m.)—I move:

> That the Senate take note of the answers given by the Special Minister of State (Senator Abetz) to questions without notice asked today relating to a report of the Auditor-General on Commonwealth estate property sales.

The government has again been broadsided by the Auditor-General. This time, it is with regard to the property fire sale in 1998-99 of 59 Commonwealth owned buildings. This time, the Minister for Finance and Administration, Mr Fahey, simply cannot shrug off the Auditor-General's criticisms so glibly. This is about accountability; it is not about ideology. I remind the government that the former Premier of Victoria Mr Kennett was defeated in part because of his blatant disregard for his own Auditor-General. Those who set themselves up against auditors-general often set themselves up for a fall. The office of the Auditor-General in our system is about integrity of government. The Auditor-General makes sure that taxpayers' money is not squandered. The office of the Auditor-General should remain above political interference. Their critiques of government administration should be read carefully and should be absorbed by both government and opposition.

Senator Abetz claimed, in question time today, that the government's policy on property sales was 'sound economic policy'. Yet here we have a report that finds that the government proceeded with a sell-off that incurred a net loss to the taxpayer after a period as short as eight years and a loss that will increase year after year after that period. The report also makes it clear that DOFA furnished the minister with the necessary advice to justify the government's decision, ignoring the ample evidence that the decision was not in the long-term interests of Australian taxpayers. So much for frank and fearless advice.

When the Auditor-General made seven recommendations to prevent a recurrence of such disastrous financial mismanagement the Department of Finance and Administration rejected the lot. It rejected every single recommendation. It is beyond belief that the Department of Finance and Administration disagreed with recommendation No. 5, paragraph 4.51, of Audit report No. 4 of 2001-02: *Commonwealth Estate Property Sales*:

> ... Finance's approval processes for a property sale and leaseback transaction include the formal consideration of the: Commonwealth Property Disposals Policy; Commonwealth Property Principles; Financial Management and Accountability Act and Regulations; Commonwealth Procurement Guidelines; and the relevant Chief Executive's Instructions.

How could Finance possibly not approve such a recommendation? Surely, compliance with these laws, regulations and guidelines is a fundamental part of the operations of the Department of Finance and Administration. They are the basics of proper administration. Has Mr Fahey declared war on proper process? Have Mr Fahey or the government declared war on the Auditor-General? In re-

jecting recommendation No. 5 alone, even before rejecting the entire report on property disposal, Mr Fahey, as the responsible minister, and the Department of Finance and Administration are turning their backs on proper process.

A bit of history: Senator Ray and I closely questioned the Department of Administrative Services in 1997 about this matter. At the time the department said that the crossover between the benefit from the sales of the 59 properties and the ever increasing cost to the taxpayer of rent would occur in financial year 2002-03. I put out a press release at that time warning of the impending red line in the public accounts. I got the impression then that DAS was putting up a fight against this policy of setting the 15 per cent hurdle rate which led to the sale of so many buildings. The department was disbanded by the government soon after, as senators know, and DOFA pursued the ridiculous, short-sighted, ideological crusade to get out of property management even at the cost of an ever increasing debt to the taxpayer. I do not think anyone can be tempted to believe that this really is the action of a government that is a competent economic manager. *(Time expired)*

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.15 p.m.)—We welcome the opportunity to have a debate about the importance of the Commonwealth's property portfolio. Can I say, not too immodestly, that back in 1995 I was the one who established an inquiry by the Senate Standing Committee on Finance and Public Administration into the previous government's property management and property portfolio processes. In brief, that inquiry found—and it is on the record: it is in the Senate *Hansard* and it is a report of that committee—just as the ANAO report of the same year found that the Australian Labor Party government when Mr Beazley was Minister for Finance had no property policy whatsoever. An alarming array of consequences were found from that. One of them was that back in those days many departments had no rental agreements, so in their budgeting they could not make any sort of assessment about what their ongoing rental costs were. There were potentially hundreds of buildings around Australia, many with Commonwealth tenants not knowing how much space they occupied, not knowing how much rent they were up for, and therefore not being able to make any sort of rational assessment about their administrative costs. That led me at the time to write a property rationalisation policy for the Commonwealth which was adopted once we were elected to government.

Senator Carr—So you're responsible for this, are you?

Senator IAN CAMPBELL—Yes. And we challenged the notion that the Commonwealth should be a property owner. Owning a piece of property is a particularly expensive business. It is a specialist business. If you are someone who particularly cares about people on low incomes, people who need services from the Commonwealth, you should—if you do not have an ideological problem—analyse where the Commonwealth spends its money. The previous government did not do that. When it came to the then government deciding whether to build accommodation to accommodate its accommodation needs or whether it should lease it, there was no policy in place. Senator Nick Bolkus, as Minister for Administrative Services, decided to build a building called Casselden Place in Melbourne. They built this high-rise building at Casselden Place—I think it was something like 60,000 square metres of office space—and after they built it they found they did not have any tenants for it. On paper at the time it had cost the then Commonwealth government and the taxpayers in excess of $150 million. They had spent hundreds of millions of dollars building this building, and the value of the building was nearly $200 million less than they paid to build it.

It reminds us of what happened in the Tuggeranong Office Park where in the late eighties the Labor government did not have funds to finance the construction of a new building they wanted to house the Department of Social Security in here in Canberra. What did they do? They entered into an in-

credibly complex financing arrangement where the private sector financed the construction of the building with the Commonwealth taking all the financial risk. It entered into a series of bonds with redeemable rates. They used distorted and massively exaggerated assumptions—just as, I might say, the Auditor-General's office have in some of their assumptions in relation to the AGSO sale and lease-back. They have exaggerated the CPI. They have exaggerated financing costs. Quite frankly, if you fiddle those figures, either CPI rates or rental rates or borrowing costs—

Senator Carr interjecting—

Senator IAN CAMPBELL—And of course Labor are used to doing this because that is what they did in the Centenary House deal: they whacked the rent up to three times market rates. You can make any deal look good if you fiddle with the figures and enter into shonky financing deals. Labor were good at that. The Tuggeranong Office Park is a classic case of that. According to the ANAO report of 1995-96, as a result of the previous government's bungling over the Tuggeranong Office Park the Commonwealth will be faced with an estimated shortfall of $195 million, and it is estimated that in the year 2008, as a result of the previous administration's bungling of the Tuggeranong Office Park proposal, the Commonwealth will be faced with a $115 million shortfall.

From Audit Report No. 29 of 1995-96, *Management of the commercial estate*, I have a diagram which quite frankly would make Barry Jones quite envious. It really is a fantastic noodle. I think for the people of Australia and for posterity that should be incorporated in *Hansard*, and I seek leave to have that diagram incorporated.

Leave not granted.

Senator ROBERT RAY (Victoria) (3.21 p.m.)—We saw Minister Abetz do a pretty poor job in answering questions on this subject today, but I have to at least acknowledge that most of these events predate Senator Abetz being involved in the portfolio. They are really issues that go to the competence of Minister Fahey, and the competence of the old Department of Administrative Services and the Department of Finance and Administration. I do note that the previous speaker used to be an officer in DAS, and a pretty competent one in Western Australia, so we do not have to worry about that too much—or he was involved in some of those property things there and was always helpful. That is what he always told me.

Senator Ian Campbell interjecting—

Senator ROBERT RAY—That is true. The real problem you have to confront here is that the Auditor-General has made a number of recommendations about these property sales, of which the Department of Finance and Administration has virtually disagreed to all. That is not an unusual process. It is not unusual that the Auditor-General would criticise a department and a minister and that his findings would be disagreed with. The real problem is, of course, the lack of intellectual rigour in Finance. They do not give their reasons for disagreeing with the findings. Why not? They do not engage in the debate. You have a damning report that says they got gypped on legal fees and that they set the social opportunity cost far too high—you get all of those things. Where is the counterattack? Where is the argument that the government did the right thing? All we get is the vague assertion that government should not own property. That may or may not be true. You have got to justify it.

We explored these issues at the estimates committee four years ago. We asked about the social opportunity cost and the hurdle being set at 15 per cent. I asked which building—name one building—in the Commonwealth estate will escape the 15 per cent hurdle. We gave them plenty of time. They took days, they took weeks, and they could not come back and name one building. In other words, they set the hurdle to determine that every building that they would nominate had to be sold off. Some of the evidence they gave then was that the crossover point would be in only 4.8 years—that is, the revenue from the sale and the total amount of rent. That is not a fair way of assessing. The Auditor-General uses a much more complex and sophisticated method, and he argues that the crossover point will be within eight years. So what in effect you have done is

harvested money into the budget now and you will pay the price all the way through.

Take the R.G. Casey Building, specifically built for the purposes of Foreign Affairs and Trade, with its speciality facilities for ASIS. That came in under budget. Remember all of the circumstances at the time, that this would be Gareth Evans's white elephant? It came in well under budget. The government sold it off to the Motor Trades Association. What are the Motor Trades Association trying to do now? They are arguing for a 38 per cent rise in the rent.

People on the other side constantly mention Centenary House. I have to say that no cabinet ministers were involved in those negotiations. Any of the cabinet ministers who were also coincidentally on the national executive excluded themselves from all discussions. Those negotiations—whether they are a good or a bad deal for the Commonwealth—were done at arm's length from ministers and ministers who served on the national executive. Even then, not being satisfied—it was criticised—a virtual royal commission was held on it by Justice Morling. He has been reappointed by this government to other positions, so they must believe he is competent. That basically cleared the Labor Party.

You never hear of what would happen if in fact the Labor Party had signed up for a deal and then it became loss making, just as John Curtin House was. We were getting back rent for that well under market value, because there had been long-term contracts. Was anyone on that side jumping up and saying, 'Sorry, Labor Party, we will compensate you for that'? If the government's only excuse for this farce is the Centenary House-Auditor-General deal, then that is very bad public policy. This government should take this report seriously. It does not come down on the side of whether to sell property or not; it comes down to say you do it competently, you do it on a case by case basis and you do it on the best advice available. *(Time expired)*

Senator CHAPMAN (South Australia) (3.26 p.m.)—The Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts, Senator Ian Campbell, referred to the inquiry which he initiated when we were in opposition regarding the ownership of government properties during the period of the Labor government. Of course, the outcome in general of that inquiry was that Labor was a policy-free zone as far as property management was concerned. It is fair to say that not much has changed.

Senator Robert Ray—I bought one for $40 million and you sold it for $160 million.

Senator CHAPMAN—Five and half years later, Senator Ray, in opposition the Labor Party remains a policy-free zone—sadly for the Australian people—not just in relation to property ownership and management but across the whole gamut of government responsibilities. It is a policy-free zone across the whole range of policy areas for which the Commonwealth government is responsible. Of course, the consequence of the previous Labor government being a policy-free zone in relation to property in particular was that when we came into government in 1996 it was discovered that Commonwealth properties were badly maintained, inefficiently managed and underutilised and there was a requirement for a radical overhaul and rationalisation of Commonwealth real estate. There was in fact a need to establish a policy with regard to the management of Commonwealth properties.

The previous Labor government had billions of dollars of taxpayers' money needlessly tied up in bricks and mortar, including commercial office space and other types of properties, and there were hectares of Commonwealth owned empty office space here in Canberra alone. As at 30 June 1995, eight or nine months before the Labor Party was defeated, fewer than five per cent of Commonwealth government agencies and departments had formal lease arrangements for space in Commonwealth owned buildings, and they had no idea about the cost of the Commonwealth owning or leasing office accommodation. As I said, this was a completely blank area as far as the management by the previous Labor government was concerned.

Indeed, under Labor it was found that properties were so badly neglected that $848 million was required to bring the properties to an acceptable standard with regard to occupational health and safety requirements alone. That is not a figure that we as the government are offering but in fact is a figure determined by the Australian National Audit Office, the organisation that the opposition is now lauding so loudly in its feigned criticism of the government on this issue.

In its 1995-96 audit report into the management of the Commonwealth estate, the ANAO found, as I said, that the property had so deteriorated under the lack of a management policy of the previous government that $848 million was required for capital works for the five years to 1999-2000 to bring those properties up to a reasonable level of maintenance. As I said, in most cases this was simply to ensure that they complied with occupational health and safety requirements. Those figures were set out in table 12, 'Capital funding requirement', contained in Audit Report No. 29 of 1995-96 on the management of the commercial property estate. That is the record of the Labor government with regard to property management.

In regard to sales, the Labor Party sold properties when they were in government, but they did not have any plans to dispose of properties for the advantage of the taxpayer or the government; they simply sold them on an ad hoc basis with little rationale or few guiding principles for the purpose of raising money to fund their undisciplined spending. That is the way that Labor approached property sales. When they were short of a dollar for one of their spending programs they would sell off another property to raise money to fund that expenditure. So it is no wonder that property ownership by the Commonwealth was in a mess when we came to government and, as a result of that, the coalition government established a set of principles to guide decisions on the ownership and management of Commonwealth property. We have provided increased transparency and accountability to allow informed economic decisions to undergird the sale and management of properties on behalf of the Commonwealth. We have made substantial progress towards improving the performance and efficiency of the federal government's property portfolio and in bringing the management of that property into line with private sector best practice. There has been a strategic alliance with the Commonwealth, and so there is a dramatic contrast here between the success of this government and the failure—*(Time expired)*

Senator LUDWIG (Queensland) (3.31 p.m.)—Just to remind those that might be listening, this debate is about a report on property sales by the Australian National Audit Office. So far, we have managed to have a history lesson from Senator Ian Campbell—interesting as it might have been, it certainly did not address the issue before the house—and Senator Chapman has thrown in a history lesson with an ideological spin to it about bricks and mortar. What we have not heard is a rational argument in support of the position that this government has adopted in response to the ANAO report on property sales. Let me make it very clear: the ANAO report on property sales is damning of the way that this government has managed property sales. The only rationale that can be deduced from the government is that it chose to divest itself of property because, ideologically, it does not see itself being the owner of property. Yet an earlier ANAO report talks about the Commonwealth being a major renter. In other words, it holds an occupancy of about 10 per cent of available leased office space in the metropolitan areas of Australia and may well be the single largest occupier of leased office accommodation nationally—about $485 million in rent and outgoings. So we are talking about a major leaser. Why wouldn't a major leaser look at how it was going to ensure it had office accommodation available for its workers? The only answer we get is from the Hon. John Fahey in a media statement where he manages to find the only statement that might give him some comfort in the report, which he quotes:

> The sales program was successful in that total proceeds to April 2001 have exceeded revenue targets by $130 million or 15 per cent.

But what he did not go on to say is what the Audit Office report, *Commonwealth Estate*

Property Sales: Department of Finance and Administration, said following that in paragraph 11 of its 'Summary and Recommendations':

> Finance advised ANAO in April 2001 that its role was to implement a property divestment program endorsed by Ministers and that it was not charged with the role of protecting the overall interest of the Commonwealth.

The only conclusion that you can arrive at is that there was nothing short of a fire sale in the wind. The program was to divest itself of bricks and mortar, irrespective of what the outcome might be in the short to medium term. There is no systematic process of inquiry. They have not relied on the financial management and accountability regulations or the Commonwealth procurement guidelines. They have not relied on those at all. In fact, not only have they not relied on those two regulations or guidelines which would assist them in deciding whether property should be sold or leased or sold and leased back but we have been told by Senator Abetz today, if I recall correctly, that he does have legal advice. When we ask him to table the legal advice, does he? No. Does he argue from the position of what the legal advice might otherwise provide? No, he does not. All we get is rhetoric about property sales and bricks and mortar. It is very interesting to go on and read the Hon. John Fahey's media statement:

> The strategy of selling high value and less attractive properties in packages was successful, realising sales in required time frames.

Why wouldn't it be if the actual structure of the divestment was for the sale? It was not to actually critically examine whether or not it should go ahead, whether it would generate appropriate revenue, whether it would generate a position in which the Commonwealth would be better off to retain or to sell. In fact, there was no examination of that particular point. What we have is a botched property sale by this government and the ANAO has fingered them and said, 'Here is the problem. What are you going to do about it?' Their response was silence. *(Time expired)*

The DEPUTY PRESIDENT—Before I proceed to put the question, Senator Campbell during his speech sought leave to incorporate a diagram. I understand that leave has now been granted for that to be incorporated if it is technically possible.

The diagram read as follows—

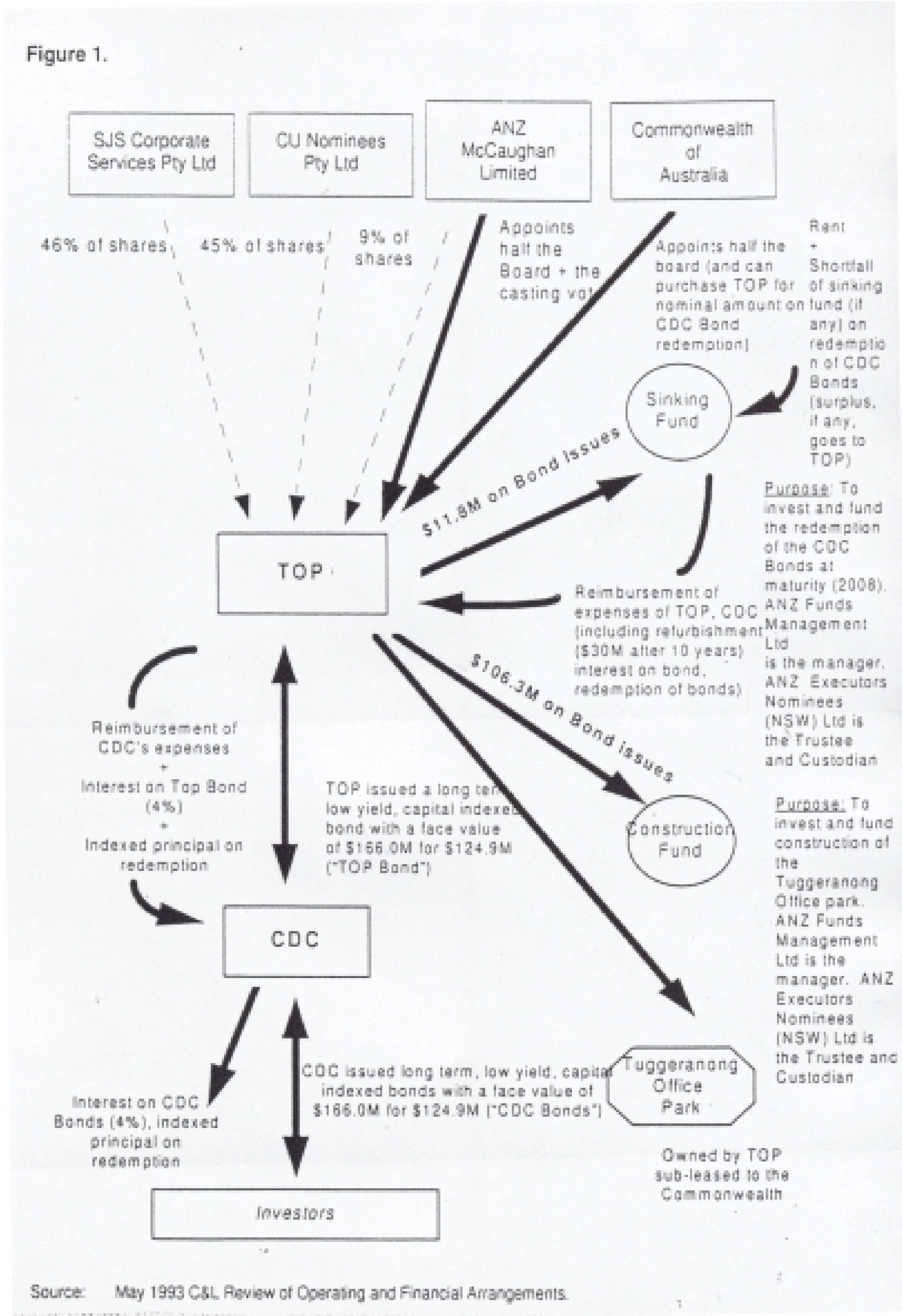


Figure 1.
SJS Corporate Services Pty Ltd
CU Nominees Pty Ltd
ANZ McCaughan Limited
Commonwealth of Australia
46% of shares
45% of shares
9% of shares
Appoints half the Board + the casting vote
Appoints half the board (and can purchase TOP for nominal amount on CDC Bond redemption)
Rent + Shortfall of sinking fund (if any) on redemption of CDC Bonds (surplus, if any, goes to TOP)
Sinking Fund
$11.8M on Bond issues
TOP
Purpose: To invest and fund the redemption of the CDC Bonds at maturity (2008). ANZ Funds Management Ltd is the manager. ANZ Executors Nominees (NSW) Ltd is the Trustee and Custodian
Reimbursement of expenses of TOP, CDC (including refurbishment ($30M after 10 years) interest on bond, redemption of bonds)
$106.3M on Bond issues
Reimbursement of CDC's expenses + Interest on Top Bond (4%) + Indexed principal on redemption
TOP issued a long term low yield, capital indexed bond with a face value of $166.0M for $124.9M ("TOP Bond")
Construction Fund
Purpose: To invest and fund construction of the Tuggeranong Office park. ANZ Funds Management Ltd is the manager. ANZ Executors Nominees (NSW) Ltd is the Trustee and Custodian
CDC
Interest on CDC Bonds (4%), indexed principal on redemption
CDC issued long term, low yield, capital indexed bonds with a face value of $166.0M for $124.9M ("CDC Bonds")
Tuggeranong Office Park
Owned by TOP sub-leased to the Commonwealth
Investors
Source: May 1993 C&L Review of Operating and Financial Arrangements.

Question resolved in the affirmative.

Senator Ian Campbell—Madam Deputy President, I also table that document so that it is available for the public immediately.

Employment Assistance: Homelessness

Senator BARTLETT (Queensland) (3.37 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Family and Community Services (Senator Vanstone) to a question without notice asked by Senator Bartlett today relating to homelessness and employment assistance.

The question related to the report of the Commonwealth Advisory Committee on Homelessness which has been recently tabled, and of course this is National Homeless Persons Week. It is a crucial and important issue and it is worth highlighting some of the specific details contained in that report. As I outlined in my question, which was not specifically responded to by the minister, the report highlights the value of employment in assisting people in avoiding or getting out of homelessness. It specifically states that agencies charged with delivering employment assistance—Centrelink and the Job Network—are not well linked with homelessness agencies and that those job placement and other services which provide employment assistance to homeless youth do not address the needs of the homeless younger people. That is a clear and I think very damning assessment from a group of people that the minister said are experts at the 'coalface'.

The report also highlights the importance and the problem of poverty as an issue and the inadequacy of income support assistance in many cases in Australia today. It quite clearly demonstrates that in many cases current income security payments are not adequate in ensuring that people avoid poverty. It specifically highlights the need to recognise the financial independence of young people aged 18 years and over. The report states 'income support does not cover the immediate high cost of securing stable accommodation, including bond money and rent in advance.'

In other cases, one of the major factors in avoiding homelessness, which is avoiding poverty, is not addressed adequately through aspects of our income support system. This is a specific concern of the Democrats and one that I think it is important to highlight regularly. It was an aspect of the recent debate on welfare reform that I think did not get enough focus—that the basic requirement, the fundamental and immediate requirement of our income support system has to be to alleviate poverty and to keep people out of poverty. We have had a lot of debate and focus on things like mutual obligation, which is important, but the fundamental requirement—the immediate and initial requirement—of any income support system has to be to keep people out of poverty.

In many ways, our system fails, as this report highlights. It also highlights that there is a direct link in many cases between that poverty and homelessness. Indeed, there has been from time to time, including in this report, comment on the treatment of homeless people by Centrelink and the fact that that treatment is sometimes inappropriate and may lead to homeless people being breached, and therefore having a reduction in their income which, in many cases, is already inadequate. Of equal concern to the Democrats is that there is a direct link between breaching and homelessness, that homelessness is caused by that breach. A common and constant message from agencies that work out in the community is that that act of breaching by Centrelink, the act of having people's income cut, often leads directly—almost automatically—to people suffering homelessness as a consequence. Clearly, it is an absurd outcome that something as obviously undesirable as homelessness should be generated by the actions of our supposed welfare agencies.

The report from the group on the national homelessness strategy also highlights the lack of affordable and secure housing. Demand for social housing and low cost housing is increasing and far outweighs supply. It is good that the federal government is attempting to take a national focus on this, because there has been a significant lack of focus at a federal level on a cohesive, national housing strategy. From the Democrats' point of view, fundamentals like poverty al-

leviation, the provision of affordable, secure and accessible housing are basic tenets that should be at the highest level of priority of governments and of all political parties. We believe it is an area that needs to be high on the agenda leading into the election. Adequacy of housing is crucial, and adequacy of income support is crucial. *(Time expired)*

Question resolved in the affirmative.

PETITIONS

The Clerk—A petition has been lodged for presentation as follows:

Australian Broadcasting Corporation: Independence and Funding

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

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

i. the independence of the ABC Board;

ii. the Australian Democrats Private Members' Bill which provides for the establishment of a joint Parliamentary Committee to oversee ABC Board appointments so that the Board is constructed as a multi-partisan Board, independent from the government of the day;

iii. an immediate increase in funding to the ABC in order that the ABC can operate independently from commercial pressures, including advertising and sponsorship;

iv. news and current affairs programming is made, scheduled and broadcast free from government interference, as required under law; and

v. ABC programs and services which continue to meet the Charter, and which are made and broadcast free from pressures to comply with arbitrary ratings or other measures.

by **Senator Bourne** (from 1,577 citizens)

Petition received.

NOTICES

Presentation

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

That the time for the presentation of the report of the Economics References Committee on the framework for the market supervision of Australia's stock exchanges be extended to 23 August 2001.

Postponement

Items of business were postponed as follows:

General business notice of motion no. 717 standing in the name of Senator Lees for today, relating to the introduction of the Australian Bill of Rights Bill 2000, postponed till 28 August 2001.

General business notice of motion no. 852 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to the financial interests of the Minister for the Arts and the Centenary of Federation (Mr McGauran), postponed till 3 December 2001.

BUSINESS

Consideration of Legislation

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

That the government business orders of the day relating to the following bills may be taken together for their remaining stages:

Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2000, and

Occupational Health and Safety (Commonwealth Employment) Amendment Bill 2000.

COMMITTEES

Scrutiny of Bills Committee

Meeting

Motion (by **Senator O'Brien**, at the request of **Senator Cooney**) agreed to:

That so much of standing order 36 be suspended as would prevent the Scrutiny of Bills Committee holding a private deliberative meeting on 8 August 2001, from 8 am to 10 am, with students from the University of Alabama in attendance.

NAIDOC WEEK

Motion (by **Senator Bartlett**, at the request of **Senator Ridgeway**) agreed to:

That the Senate—

(a) recognises NAIDOC Week from 8 to 15 July 2001, and National Aborigines Day on 13 July 2001, as events of national importance to all Australians, which celebrate the survival of Aboriginal and Torres Strait Islander cultures and the contribution they make to the national identity;

(b) recognises and congratulates the recipients of National NAIDOC Awards for the outstanding contributions they

have made to their communities and the nation:

(i) Mr Kutcha Edwards, NAIDOC Person of the Year,

(ii) Ms Alice 'Mummy Mick' Clark, NAIDOC Female Elder of the Year,

(iii) Mr Cec Fisher, NAIDOC Male Elder of the Year,

(iv) Mr Warren Lawton, NAIDOC Sportsperson of the Year,

(v) Dr Cheryl Kickett-Tucker, NAIDOC Scholar of the Year,

(vi) Ms Vanessa Elliot, NAIDOC Youth of the Year, and

(vii) Mr Todd Phillips, NAIDOC Aboriginal Trainee of the Year;

(c) notes that the theme for NAIDOC Week 2001 was reconciliation and a treaty, in keeping with the tradition that National Aboriginal and Islander Day of Celebration is an opportunity to bring to the attention of governments and all Australians the issues that are of concern to them; and

(d) reaffirms its commitment to the goal of true and lasting national reconciliation between Indigenous and non-Indigenous Australians.

COMMITTEES

Economics Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Economics Legislation Committee on the provisions of the Patents Amendment Bill 2001 be extended to 9 August 2001.

STATE ELECTIONS (ONE VOTE, ONE VALUE) BILL 2001

First Reading

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

That the following bill be introduced: A Bill for an Act to implement Article 25 of the International Covenant on Civil and Political Rights so that elections for State legislatures shall be by equal suffrage.

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

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

Bill read a first time.

Second Reading

Senator MURRAY (Western Australia) (3.45 p.m.)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The history of democracy is a history of combating barriers to equality. While the theory of democracy prescribes rule and participation by the people, the practice of democracy has at times been the rule of men but not women, European Australians but not Aborigines, property owners but not itinerants or tenants. These are battles for the franchise that have been won, but not easily.

Battles for equality are never easy because those who benefit from inequality will defend the indefensible. Therefore equality must become a universal principle, one that is of supreme importance. The alternative is discrimination which usually descends into disadvantage. Ultimately, the principle that in a democracy all adults are entitled to one vote of equal weight must triumph over any vested interests.

Western Australia's electoral history records a slow and incomplete process of democratisation. Women were given the vote in 1899, although there was still a general exclusion of 'Aboriginal natives of Australia, Africa or Asia'. How neatly racist that phrase is. It was not until 1962 that Aborigines won the right to vote in WA's Legislative Assembly elections.

From 1870 there was a property franchise which restricted voting to the male head of the family and permitted plural voting. Under plural voting, each voter could vote not only in the electorate in which he lived, but also in any electorate in which he owned property of a certain value. Plural voting was abolished in the Legislative Assembly in 1904 but not until 1963 for Legislative Council elections.

It is an interesting parallel that current moves to democratise WA's State Parliament will not include the Legislative Council despite the fact that the need for reform is greatest in that House.

WA's electoral system remains a study in inequality. In the West Australian Legislative Assembly, non-metropolitan electorates account for 26% of voters but over 40% of the seats. There are 17 283 voters in the Mitchell electorate, but 9 415 voters in the electorate of Eyre. That is, a vote in Eyre counts for nearly twice that of a vote in Mitchell.

In the state's upper house, the malapportionment is even more pronounced. The average number of voters per member in the Mining and Pastoral Region is 13 380. In the East Metropolitan Region that figure is 53 509. The vote of a person in the Mining and Pastoral Region is worth nearly FOUR TIMES that of an East Metropolitan voter!

This is an affront to democracy. It offends the basic one vote one value principle.

During the last state election, the West Australian Labor Party promised to reform the electoral system should it win government. Now in office, it appears that it may be unable to get its full reform agenda through the state's upper house.

After achieving an excellent upper house result under the current electoral system, the Greens are unfortunately advocating the retention of malapportionment for that house. Incongruously, they support changes to abolish malapportionment in the lower house in which they have no members. This is despite the fact that malapportionment in the upper house is far more pronounced.

Supporters of the status quo argue that rural voters are entitled to the greater voice that the existing malapportionment affords. Senator Lightfoot argued in a recent letter to the Collie Mail (19/7/2001):

"Reducing the number of rural electorates would make the rural voice irrelevant to parties like Labor, the Democrats and Greens who are cultivating anti-rural policies. Most of us know that our standard of living still depends to a very large degree on our natural resource based industries. We also know Labor and their allies are willing to impede land-based development through green and Aboriginal politics despite the impact it has on all of us, but especially the rural population."

That the Democrats are engaged in the cultivation of any anti-rural policies is palpably untrue. Regardless, Senator Lightfoot would like to see a minority singled out to enjoy greater voting power. After all, the argument goes, rural voters are a group whose interests are not adequately taken into account by the political process.

But how do you choose which minorities to give these special rights to? Why not give aborigines or the greens a weighted vote? Historically, their voice has been drowned out by a majority insensitive to their interests. Or what about the homeless, the poor or the unemployed? How about women or the disabled, young men or those without tertiary education? Where would it ever stop? How do you develop criteria to determine which minorities should be given a weighted vote?

Senator Lightfoot only offers the group with whom he sympathises most, rural voters- those who oppose the 'green and Aboriginal politics' which Senator Lightfoot criticises. At least part of the argument seems to be that rural voters should be given greater voting rights because he likes their politics. A more anti-democratic notion is difficult to imagine.

Eight out of Australia's nine legislatures broadly comply with the one vote one value principle, but the establishment of the principle as a matter of federal law would place a check on the future re-establishment of any inappropriate electoral privilege. If one vote one value is good enough for the eight other legislatures and their political parties, why is it not good enough for WA?

This bill, like the principle behind it, is very straightforward. In short, it provides that the one vote one value principle must be observed in state and territory elections as closely as possible.

The bill applies to both houses of state parliaments in those states that have bicameral legislatures. The mechanism set out in the bill is based on the recommendations of the WA Commission on Government (Report No. 1, p. 302 & p. 342).

A quota of voters is calculated by dividing the total State enrolment, projected four years in advance, by the number of electorates. Each electorate must be as nearly equal in size as possible but, in any case, not varying by more than 15% from the quota of voters with any variation to have regard to a variety of factors.

The overriding factor is the community of interest in the area. Other factors include the means of communication with, and its distance from, the capital city of the State, the geographical features of the area and any existing boundaries, including local government boundaries.

The right to seek judicial review of matters raised under this bill extends to, but is not limited to, registered political parties and any member of the House of Parliament to which the action relates.

This bill provides federal Labor with the opportunity to demonstrate that it shares the commitment to democracy displayed by the Gallop Labor Government in Western Australia. Unfortunately, the WA Government does not have the numbers it needs to get its full reform agenda through the Legislative Council. This leaves it to the Federal Parliament to ensure that the democratic rights of Australian citizens are observed.

Since the 60's the Labor Party has been particularly strong about the principle of one vote one value, first introducing legislation in the Federal Parliament in 1972/3. In recent years the ALP has taken the matter to the High Court with respect to the West Australian electoral system. They should therefore be expected to support this move to

enshrine the one vote one value principle in federal legislation.

During the 70's, 80's and 90's the principle of one vote one value, with a practical and limited permissible variation, was introduced to all federal, state and territory electoral law in Australia, except in WA. As far back as February 1964 the US Supreme Court gave specific support to the principle.

No doubt, some will characterise this as unwarranted interference in state matters by the Federal Parliament. This is not so. Australia is a signatory to the International Covenant on Civil and Political Rights, Article 25 of which confers the right 'to vote and be elected at genuine periodic elections which shall be by universal and *equal* suffrage.'

We have an obligation in international law to ensure that basic standards of democracy are observed throughout Australia. It would not be appropriate for the Federal Parliament to set out every detail for the conduct of state and territory elections. However, it is appropriate for our national Parliament to exercise the external affairs power in s 51 (xxix) of the Constitution to ensure that a basic standard of democracy exists throughout the country to bring us into line with our international obligations.

Australia is an advanced democracy. We have come a long way in eliminating electoral privilege. Far from the days when huge sections of the community were denied the right to vote, it is now accepted that the franchise should extend to all but a very few adults. Equally important is the principle that all votes should carry equal weight. It is untenable to resolutely defend the right of all Australians to vote while at the same time supporting a system whereby the votes of some count for up to four times the votes of others.

I commend this bill to the Senate.

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

COMMITTEES

National Capital and External Territories Committee

Extension of Time

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

That the time for the presentation of the report of the Joint Standing Committee on the National Capital and External Territories on the sale of the Christmas Island resort be extended to 27 September 2001.

Rural and Regional Affairs and Transport Legislation Committee

Meeting

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

That the Rural and Regional Affairs and Transport Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 9 August 2001, from 4 pm, to take evidence for the committee's inquiry into the Maritime Legislation Amendment Bill 2000.

DOCUMENTS

Auditor-General's Reports

Report No. 5 of 2001-02

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General's Act 1997, I present the following report of the Auditor-General: Report No. 5 of 2001-02—*Report No. 5 of 2001-02-Performance Audit-Parliamentarians' Entitlements: 1999-2000.*

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.47 p.m.)—by leave—I move:

That the Senate take note of the report.

The opposition welcomes this timely report into parliamentary entitlements by the Auditor-General which followed a Senate resolution on this matter. The Auditor-General in his report prefaces his remarks by outlining the complexity of the work of a contemporary parliamentarian. I think that should be appreciated by all members and senators in this place. I am pleased to note that many of the Auditor-General's findings and recommendations reflect the approach that the opposition has announced on the administration of parliamentary entitlements. For example, in response to the Senate resolution on parliamentary entitlements, the Auditor-General states:

There should be a regular and comprehensive program of internal audits that encompasses all entitlements provided to current and former Parliamentarians. Risk profiling and statistical analysis should be used to target audit activities in areas of perceived greatest risk. Audits should also be undertaken where there are indications of systemic control weaknesses and/or scope for system improvement.

That very function would be a major role of the proposed auditor of parliamentary entitlements which has been announced previously as a policy proposal by the opposition. How can we disagree with the auditor's recommendation from the Senate resolution that all line items should be regularly benchmarked by the relevant agencies? This follows from the Auditor-General's concern about reporting and accountability in ministers' home departments. For example, the report states:

> ... a number of home departments were unable to justify all Ministerial hospitality expenditure incurred in 1999-2000 as they could not provide ANAO with any details of the purpose of certain hospitality functions.

Given the events of the past few years, we say that that situation is not good enough. Ministers should make sure that there is a clear record of their official hospitality, otherwise it strengthens the public's conviction, which apart from in a few cases we say is wrong, that parliamentarians are just in it to stick their snouts in the trough. The Auditor-General also provides a handy list of entitlements, some of which are not publicly disclosed through tabling and some of which are. The approach of the opposition has always been to say that all entitlements should be disclosed on a six-monthly basis. That would include entitlements such as phone use, postage and printing. We believe that accountability is best served by full transparency. We have said that, if we are successful in the next election, we will move quickly to have all entitlements tabled in the parliament so it dramatically improves the level of transparency.

What is seriously concerning in this report is that while home departments, including the chamber departments—the Department of the Senate and the Department of the House of Representatives—have agreed to most of the recommendations of the Auditor-General, the department of finance and Senator Abetz, in his role as Special Minister of State, have been absolutely bloody-minded, in my view, in opposing 25 out of 28 recommendations.

Senator Murray—It is unprecedented.

Senator FAULKNER—You have noticed this too, Senator Murray. It is unprecedented; you are right. Twenty-five out of 28 recommendations have been disagreed by the department of finance. I hope my colleagues who are commenting on this in the chamber note some comity with the issue that the opposition raised in question time today in relation to the sale of Commonwealth property. It is the same pattern again—the department of finance rejecting straightforward process recommendations. It is absolutely unacceptable to have a situation like this.

I think it is worth highlighting the difference in approach between the chamber departments on this occasion—which have responsibility, although it is diminishing, in the area of the administration of parliamentary entitlements—and the department of finance. Everybody knows that the Department of Finance and Administration has been improving the system. I acknowledge that. There has been a tightening in the system and it would be unfair not to stand up and say that, but the Auditor-General is saying to the parliament that a great deal more can and should be done. Improvements have been made, but there is a great deal more to do. These recommendations are eminently reasonable ones. A classic example is recommendation 1. It states:

> ANAO recommends that Finance assist Senators and Members to meet their accountability obligations for use of entitlements by including financial recording kits and best practice guidance on the establishment of comprehensive and appropriate records management procedures in handbooks provided to parliamentarians.

What was the department of finance recommendation? Disagreed. This is extraordinary. How could you possibly disagree—as the department of finance, mind you—with enhancing the records management process? Surely this is a serious issue for this parliament to give consideration to. Another one that struck my fancy was recommendation 4. Try this one on for size, it says:

> ANAO recommends that Finance, as the Commonwealth agency with responsibility for financial governance and frameworks, undertake a legal compliance appraisal in order to identify the legal obligations applicable to the spending of public money on Parliamentarians' entitlements

and the effectiveness of the methodology of compliance with those obligations. Where necessary, suitable proposals for legislative change should be developed for consideration by the Government and the Parliament.

What was the department of finance recommendation? Disagreed. This is just sensible housekeeping. It is a very sensible approach. As every senator in this chamber knows, we have seen a number of court cases follow from misappropriated entitlements. What is wrong with such a sensible recommendation from the Auditor-General? You have got to ask this question, and it is a serious one: why on earth is the department of finance taking such a very defensive posture and approach on these particular matters? I look forward, and I am sure the Senate does, to hearing the answer to that question.

Because of the time constraints in this debate, we will be examining this more closely—we have had the opportunity to read what is a very substantial 250-page report—and responding in greater detail. I think the points I make are worthy of consideration by this chamber, and I think the department of finance, the minister for finance and especially the Special Minister of State have a lot of explaining to do.

Senator MURRAY (Western Australia) (3.57 p.m.)—He just won a bet, Madam Deputy President. On 2 November 2000, the Senate agreed to the resolution that the Senate request the Auditor-General to review all expenditures and entitlements accruing to parliamentarians and ministers as administered by various bodies, and to report before 30 June—we are not sticklers about that; they have produced in time—and to consider in the review audit matters including the identification of where the rules and guidelines on expenditures and entitlements are unclear or imprecise, whether the administration of such allowances, entitlements and expenditures is adequate and whether the bureaucracy has sufficient resources and means to do the job required of them. The review also included which line items should in future require regular audit, which line items should be publicly reported, singly or in aggregate, which line items should be benchmarked to determine unusual or excessive expenditure and which line items should be subject to comparative assessment between parliamentarians. Lastly, the review was to determine which expenditures and entitlements are potentially at risk of abuse and should be tightened up.

I thanked them at the time. It was my motion that was put and it was supported by the Labor Party and the members of the crossbenches wholeheartedly. Why did they support it? Why did they want this exercise carried through by the Auditor-General? Simply put, the parliament and the parliamentarians, and the public and the media were concerned that this area was still not sufficiently transparent and still was not rising to the standard that we would like to have seen.

In response to that request from the Senate, the Auditor-General has produced a 250-page report, which as experienced senators know is unusually lengthy and detailed, and has produced 28 recommendations, which again as experienced senators know is an unusually high number. In my view, it is also unprecedented for 25 of those 28 recommendations to have 'disagreed' against them by the finance department. I have some expertise in this area arising from my committee membership. I am a member of the Joint Statutory Committee of Public Accounts and Audit, and I am the Deputy Chair of the Senate Finance and Public Administration Committee. In both those functions I interact with senior officers of the finance department, and I must say without any qualification whatsoever that I find their senior officers to be quality people—competent and capable. Therefore, for them, for quality people, to take that view is surprising, to say the least.

I can also confirm, from personal experience and from the professional experience of sitting through those committees and estimates committees and other circumstances, the words of Senator Faulkner, who spoke before me. Those words were that there has been a considerable improvement in the reporting standards of this parliament and of the bodies that are responsible to it, particularly Finance, over the last 5½ years. There has been a significant improvement. Since the first management report that I received in

1996 and the latest management report, there has been an exceptional increase in the transparency and the quality of the reports available to us, and the finance department have played a major role in that. So why would people who have done such a good job in improving things have come out with such a negative approach to what is demonstrably a very necessary report which has recommendations which, in my view, should be accepted almost entirely?

Senator Faulkner was right to refer to the specifics of a recommendation. With regard to recommendation No. 1, it is a fact that senators and members come to parliament from all walks of life—and thank goodness they do—but some of them come to parliament without training in business and business systems and in administration systems. It is therefore very important that they be given appropriate assistance and guidelines and, indeed, the proper financial recording kits to be able to fulfil the requirements of accountability. It is a side of accountability which is seldom in the public eye, but countless hours of electorate office time are absorbed to make sure that you tick off the right items and that you do your administration accountability correctly. It absorbs huge amounts of time in any electorate office. Therefore, any contribution from Finance to make electorate offices more efficient, more productive, more streamlined and more consistent would be helpful. I know of senators who, to this day, still allow their senator's salary to be mixed in with their electorate allowance and other streams—and, as a result, people get into a mess—but they need to keep them separate and to properly evaluate what they spend money on and how they spend it. I repeat: we welcome people and must always welcome people from all walks of life in the parliament, but that does mean that some people are not as good at administration as others.

So there we have a very practical example brought to our attention by Senator Faulkner which immediately jumped at me where the finance department has said 'disagreed'. Perhaps they have reasons for that, but on the face of it, when 25 out of 28 recommendations have 'disagreed' against them, there is a fundamental and unprecedented difference of opinion between the accountability watchdog, the person we rely on more than any other body for accountability in this parliament—the Auditor-General—and a vital administrative department. Frankly, I would always expect the bias of the parliament to be towards the Auditor-General's view when you see this kind of weighting—25 out of 28 is going to deserve much more exploration than any of us can give at this time.

If we move beyond that real concern, which I think will be the focus over the next few days in reacting to this, it was very important in the development of this motion and in its exercise by the Auditor-General that it be dispassionate, objective and without regard to political parties or individuals, because it had to be about process and systems and standards. By and large, my early reading of this report—and I have not got through it all—indicates that the Auditor-General's office have fulfilled that remit. They have indeed looked at processing systems and made recommendations for making us more accountable but also better at the issue of accountability if we can get the relevant departments to follow up on their recommendations. For that I thank them.

I would also record for the benefit of notice that the Auditor-General has made it clear that the second phase of this will occur—that is, he will examine for the year 2001-02 on his normal performance audit route the staff aspects of electorate and ministerial offices. I think that is good as well because, frankly, a great deal of improvements could be made with regard to process, accountability, systems and practice. As a person who has had a varied life outside of parliament, I must say that I was surprised when I first came in at how far behind we were, and I am very glad to see that we are catching up. This document, if it is implemented, will enable parliament and its senators and members to be far better served in the exercise of their duties and the proper acquittal of their entitlements.

Senator ABETZ (Tasmania—Special Minister of State) (4.07 p.m.)—I rise today to offer some comments on ANAO Audit Report No. 5 2001-02: *Parliamentarians' enti-*

tlements: 1999-2000. I welcome this report because it confirms what some of us have already known—that is, the administration of entitlements by the department has been of a high standard. This report has cost taxpayers almost $1 million: $418,000 for ANAO costs, more than $500,000 for Finance and an unknown amount to the other home departments.

So what have we found out about the entitlements regime? We have found that there have been 54 errors out of more than 90,000 transactions—a minuscule rate of error. We have found that these errors have cost the Commonwealth a sum of only $28,575 or about 0.01 per cent of the MAPS operating budget—clearly within the sorts of benchmarks that the ANAO believes is appropriate. We have found that it cost $1 million of taxpayers money to find $28,000, or thereabouts, in debts. We have found that there are no systemic problems in the administration of entitlements by Finance. We have found that there is not one recorded instance of wrongdoing by departmental officials or by a senator or a member. It has been shown that MAPS is a very professional group in Finance and its administration of entitlements has been of a high standard, given the complexity of the entitlements regime.

Sometimes, clearly, mistakes are made. We are all human and humans sometimes make mistakes, but mistakes should not be confused with systemic problems. They are quite different. Indeed, someone made a mistake today by reporting on this report before it was tabled. Does that mean that there is some systemic problem or that somebody just made a mistake? So, you have to ask yourself: what is the error rate?

I recall the environment in which this matter was raised on a Democrat motion supported by the Australian Labor Party. They of course now have to justify to the Australian people why $1 million was spent. I say to the honourable senators who have contributed to this debate that it is intellectually lazy and sloppy to try to criticise on the basis of simply reading the summary. Senator Faulkner made a song and dance, as did Senator Murray, about the ANAO's recommendations. On the first recommendation, Senator Faulkner said, 'What did Finance say? They simply disagreed.' He did not tell us, nor did Senator Murray, that Finance in fact provided a reason.

Senator Robert Ray—Where? On page 40?

Senator ABETZ—You also seem to be stuck in the summary. Finance already provides records management guidance to parliamentarians and assistance and training to their staff. As I understand the report, Finance is in fact disagreeing because a lot of these things have been done, or it says that it is a policy consideration, or the recommendation has been previously rejected, such as the request that there be some administrative determination as to what is meant by the terms 'parliamentary', 'electorate' and 'party business'. We as a government put this before the Remuneration Tribunal early on in our term and the tribunal said that it would be inappropriate to make a determination and to try to define those terms to an absolute.

Indeed, Finance is asking us to also define those things that cannot be done. Does that mean, to use a ridiculous example, that it is appropriate to convert two pieces of photocopy paper into paper aeroplanes per day as a stress management technique but, if you were to use more than two bits of paper per day for that, that would be inappropriate and therefore disallowable? To what extent are we going to say that parliamentarians can and cannot do things with their particular entitlements? The Remuneration Tribunal, with respect, I think is more qualified than the Australian National Audit Office in determining some of these issues. The Remuneration Tribunal, which is charged to determine what some of these benefits are, if you like, or what the provision of assistance to parliamentarians is all about, has said that it would be unwise to try to define it. The government of course will be making up its own mind in relation to this report—

Senator Robert Ray—That is right.

Senator ABETZ—Yes. I just do not want people in this chamber to unfairly criticise the department of finance on the basis that it has said 'disagree'. In the summary it is just 'disagree', but the reasons for the disagree-

ment are then in the later body of the report. So the summary—

Senator Robert Ray interjecting—

Senator ABETZ—I have seen the full report and I know the department has provided reasons and rationale as to why it has disagreed. It is not a belligerent approach, as Senator Faulkner and Senator Murray unfairly tried to portray it. It is disingenuous just to refer to the summary report. I believe that there are a lot of things in this report that would cause some members concern. I do not know how much public disclosure ought to be made, for example, of spouse and children travel. That is an entitlement determined by the Remuneration Tribunal. Our spouses and our children have not been elected to office, and whilst there is not a government view on this—I am just speaking on my own behalf on this aspect—I have to say to you I am not sure that it is appropriate that our spouses and children be brought into the situation as has been recommended. But once again that is a policy issue and we will look at it, and with suggestions like that it was not appropriate necessarily for Finance to agree on their behalf.

We as a government will look at the Auditor-General's report and consider it in great detail. The government's deliberations will be guided by these facts: that of the 90,000 transactions to which the ANAO had access only 54 were deemed to be in error and, of these, Finance had already identified 42. The total debts amounted to $28,000 out of a total of $289 million, representing a minuscule 0.01 per cent. The total cost of this exercise to Finance was approximately $500,000 while the cost to ANAO was $418,000, and there are other amounts to other home departments. So a lot of money was spent, and I suppose it is good for the Australian people at least to know that the rate of error was minuscule and there is no shock-horror story coming out of this report that anybody has been behaving in an inappropriate manner.

There are some other suggestions that we follow the United States approach with global budgets, and I have to say to you I have some doubts about that when you have a look at the stories coming out of the United States. But once again it was appropriate for Finance, with suggestions like that, to basically say, 'Disagree because that's a policy issue for government or other people to determine,' as opposed to themselves. So the 25 out of 28 'disagreeds' should not be seen as a belligerent approach by Finance. Rather, they have provided appropriate reasons and rationale as to why they disagree on some of these issues. We as a government will look at the report. The taxpayers' money has been used on this, so we will go through it and determine what we believe to be within the best interests of the Australian people, whom we serve. *(Time expired)*

Senator BROWN (Tasmania) (4.17 p.m.)—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

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

BUDGET 2001-02

Portfolio Budget Statements

Corrigendum

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (4.18 p.m.)—I table a corrigendum to the portfolio budget statements 2001-02 for the Employment, Workplace Relations and Small Business portfolio.

Senator DENMAN (Tasmania) (4.19 p.m.)—I move:

That the Senate take note of the document.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

NOTICES

Presentation

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

That the Senate—

(a) considers that the Government's endorsement of the 2020 Vision for plantations has contributed to unrealistic expectations for plantation investments; and

(b) rejects the statement in the Centre for International Economics' final report underpinning the 2020 Vision that

'because of the healthy long term price outlook finding markets for wood before planting should not be a priority'.

Senator Brown—by leave—to move, two sitting days after today:

That the Senate calls on the Australian Government to request that the United Nations set up an international war crimes tribunal to bring justice to those responsible for the crimes against humanity committed during the 1975 to 1999 Indonesian occupation of East Timor.

BUDGET 2000-01

Consideration by Finance and Public Administration Legislation Committee

Additional Information

Senator McGAURAN (Victoria) (4.20 p.m.)—On behalf of the chair of the Finance and Public Administration Legislation Committee, Senator Mason, I present additional information received by the committee relating to hearings on the budget and additional estimates for 2000-01.

BANKRUPTCY LEGISLATION AMENDMENT BILL 2001

BANKRUPTCY (ESTATE CHARGES) AMENDMENT BILL 2001

Report of Legal and Constitutional Legislation Committee

Senator McGAURAN (Victoria) (4.20 p.m.)—I present the report of the Legal and Constitutional Legislation Committee on the provisions of the Bankruptcy Legislation Amendment Bill 2001 and a related bill, together with the *Hansard* record of the committee's proceedings and submissions received by the committee.

Ordered that the report be printed.

SUPERANNUATION CONTRIBUTIONS TAXES AND TERMINATION PAYMENTS TAX LEGISLATION AMENDMENT BILL 2001

SPACE ACTIVITIES AMENDMENT (BILATERAL AGREEMENT) BILL 2001

First Reading

Bills received from the House of Representatives.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (4.21 p.m.)—I indicate to the Senate that those bills which have just been announced by the Acting Deputy President are being introduced together. After debate on the motion for the second reading has been adjourned, I shall be moving a motion to have the bills listed separately on the *Notice Paper*. I move:

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

Question resolved in the affirmative.

Bills read a first time.

Second Reading

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (4.22 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—

SUPERANNUATION CONTRIBUTIONS TAXES AND TERMINATION PAYMENTS TAX LEGISLATION AMENDMENT BILL 2001

The Superannuation Contributions Taxes and Termination Payments Tax Legislation Amendment Bill 2001 will improve the overall equity of the termination payments surcharge and the superannuation contributions surcharge legislation.

The measures contained in this bill were announced by the Government on 22 May 2001 as part of the 2001-2002 Federal Budget.

The bill proposes three specific measures to improve the operation of the surcharge legislation as it applies to employer eligible termination payments.

First, the bill will ensure that only the post 20 August 1996 amount of an employer eligible termination payment taken as cash will be potentially surchargeable. The Termination Payments Tax (Administration and Collection) Act 1997 currently provides that after 19 August 2001, all of the retained amount of an employer eligible termination payment (including amounts relating to pre 20 August 1996 service) when taken as cash, is potentially surchargeable.

Secondly, the bill will provide that only a notional amount of an employer eligible termination payment is included in the calculation of the employee's adjusted taxable income for surcharge purposes. This will benefit certain individuals who would not normally be subject to the sur-

charge but could become liable to pay the surcharge in a given year as a consequence of receiving an employer eligible termination payment.

Finally, the bill will ensure that individuals will not have to pay an effective tax rate greater than the top marginal income tax rate plus Medicare Levy when taking their employer eligible termination payment as cash. Currently, certain individuals may face a higher effective tax rate due to the interaction of the termination payments surcharge and the reasonable benefits limit legislation.

I commend the bill to the Senate.

SPACE ACTIVITIES AMENDMENT (BILATERAL AGREEMENT) BILL 2001

The Space Activities Amendment (Bilateral Agreement) Bill 2001 gives effect to certain aspects of the agreement between the government of the Russian Federation and the government of Australia on cooperation in the field of the exploration and use of outer space for peaceful purposes. Passage of this bill is necessary before the agreement may enter into force.

The bill amends the Space Activities Act 1998. The bill creates a new part—part 5a—to provide a framework for the implementation of specified space cooperation agreements, and includes in part 5a power for the Governor-General to make regulations for the purpose of implementing certain aspects of the agreement.

The agreement was signed on Wednesday, 23 May 2001. The agreement provides a legal and organisational framework for the transfer to Australia of sophisticated launch vehicle technology, information and other space-related technologies. It will also facilitate Australian access to Russian technical expertise, and enhance collaboration between our two countries in scientific research and technology development.

The agreement is a milestone in Australian-Russian cooperation, and is a symbol of Australia's increasing engagement in international space activities.

There are at least three serious launch projects being proposed that would utilise Russian space technology, and this agreement is crucial to their prospects for success.

Consistent with the government's policy of promoting the development of a commercial space industry in Australia, the agreement was framed with a view to encouraging Australian companies and other organisations to participate in the agreement, and hence access its benefits.

The new regulation-making power provides a mechanism to enable both private and public-sector organisations, that are not parties to the agreement, to voluntarily access its benefits.

Participation by organisations will be on a completely voluntary basis. Where organisations choose to access its benefits, however, organisations must also accept certain responsibilities.

In accordance with the regulations made under this new power, the minister for industry, science and resources will be able to nominate organisations to participate in the agreement, subject to the agreement of the Russian government. This authorisation would also be conditional on organisations satisfying certain conditions that will be set out in regulations made under this power. These conditions are necessary to ensure that authorised organisations act consistently with the obligations that the commonwealth has undertaken.

These conditions will include requiring suitable arrangements to be put in place in respect of project specific agreements, intellectual property, protection of physical property, liability, transmission of scientific and technical data, and dispute settlement procedures. More detail is provided in the explanatory memorandum to this bill.

In summary, passage of this bill will enable the Commonwealth to nominate private organisations to voluntarily access the benefits of the agreement, subject to certain pre-conditions being satisfied.

Passage of this bill will also ensure that Australia fulfils its obligations under the agreement, and is necessary for the agreement to enter into force. Once the agreement has entered into force it will facilitate the transfer to Australia of sophisticated space-related technology and technical expertise, and enhance collaboration between Australia and the Russian federation in scientific research and technology development.

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

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

THERAPEUTIC GOODS AMENDMENT (MEDICAL DEVICES) BILL 2001

THERAPEUTIC GOODS (CHARGES) AMENDMENT BILL 2001

First Reading

Bills received from the House of Representatives.

Motion (by **Senator Heffernan**) 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 HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (4.23 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—

THERAPEUTIC GOODS AMENDMENT (MEDICAL DEVICES) BILL 2001

The amendments provided for in this bill and in the Therapeutic Goods (Charges) Amendment Bill 2001 are necessary to allow the introduction of a world-leading, internationally harmonised framework for regulation of medical devices in Australia. The amendments will allow better protection of public health while facilitating access to new technologies.

Medical devices are not consumer goods. They include a wide range of products such as lasers, syringes, condoms, contact lenses, X-ray equipment, heart rate monitors, pacemakers, heart valves and baby incubators. Medical devices are health care products that generally involve advice and intervention from health care professionals and throughout the world are subject to regulation and control separate and distinct from consumer goods. Medical devices are seldom used as a matter of choice and the impact of medical device failure can be fatal.

The amendments will benefit consumers through a comprehensive risk management and risk assessment system. Medical devices will be classified according to the degree of risk involved in the use of the device based on the level of invasiveness in the human body, duration of use, and contact with the central nervous or circulatory system. The classification of medical devices will go from a prescriptive system with two classes, 'registrable' and 'listable', to five classes where the level of regulation applied to each class of device will be proportional to the level of risk posed by its use. The new system will appropriately identify and manage any risks associated with new and emerging technologies.

Medical device safety will be improved under the new framework. All devices will have to meet substantive requirements for quality, safety and performance for the protection of patients and users. The technical expression of these requirements is ensured by international standards. Manufacturers of all medical devices will be required to meet manufacturing standards and all manufacturers, except those manufacturing the lowest risk devices, will be audited and have their systems certified. Under the current system only 50 per cent of manufacturers are required to meet quality systems standards.

Under the new system the number of types of devices categorised in the high risk class will increase to give better coverage and scrutiny of these important, often highly invasive medical devices. These products are generally cardiovascular and neurological implants and products sourced from animal tissues.

Given the sensitivity of certain high risk devices, section 41EA of this new legislation provides for these devices to be fully assessed by the TGA before they are marketed in Australia. This would exclude such devices from the scope of any mutual recognition agreement Australia may have with other countries. The government considers this to be a particularly important provision given the risks associated with these particular devices—for example, the possibility of products that may contain such things as contaminated animal material including bovine sourced material from BSE-identified countries.

The scope of low risk, non-powered and non-sterile medical devices included in the Australian Register of Therapeutic Goods will also increase allowing for a more effective post-market monitoring system that will ensure consumers continue to be protected from unsafe products. There will be a small number of products, currently regulated as devices, that will not fall under the new framework. They will continue to be regulated by the TGA using existing Australian standards.

It is proposed to also include in-vitro diagnostic products under the new regulatory framework within the next couple of years. These devices include all pathology tests. The global model for these devices is under development and the TGA is consulting widely with stakeholders on this matter.

There will also be an increased emphasis on post-market activities with the requirement for manufacturers and sponsors to report adverse events involving their medical devices to the TGA within specified time frames. Australia's involvement in an international post-market vigilance system should reduce the likelihood of re-

peated adverse events and influence the development of new medical devices.

Australian consumers need and benefit from access to a wide range of medical devices, including new technologies. By dollar value, approximately 90 per cent of medical devices used by Australians are imported. The Australian medical devices market is approximately one per cent of the global market. It is therefore imperative that Australia has a regulatory system aligned with world's best practice that ensures a high degree of medical device safety, performance and quality and also allows timely access to new devices.

The international model of regulation adopts the global model developed by the Global Harmonisation Taskforce, comprising the regulators of Europe, the USA, Canada, Japan and Australia. The European system is the basis for the new global model. The new regulatory requirements will facilitate the operation of the Australia-European Union Mutual Recognition Agreement, MRA, by avoiding unnecessary or unique regulation which make Australian access to international markets less competitive.

Applications for entry on the Australian Register of Therapeutic Goods will be streamlined using a new electronic lodgement process. Low risk devices will be notified to the Therapeutic Goods Administration enabling sponsors to market these products without undue delay. The new system includes the power for the TGA to suspend a medical device from the Australian Register of Therapeutic Goods when appropriate, rather than cancelling the device from the register. This measure will allow manufacturers and sponsors to investigate any problems that may arise and take appropriate action.

Transitional arrangements for the new system allow five years for products currently on the register to meet the new requirements. There is also provision for a two-year transition period for a group of specified new products not previously manufactured to a certified quality system. There has been extensive consultation on the proposal since 1998 with consumers, the medical devices industry, professional groups and the states and territories. There is strong support for the proposed new regulatory reforms amongst all these groups. This is reformist legislation of the best kind which has taken a great deal of time, effort and thought by all sectors of the industry, including consumer groups and the Department of Health and Aged Care. In the absence of the minister, I congratulate them for the hard work which will bring enormous benefits to consumers.

In summary, the introduction of an internationally harmonised medical device regulatory system for Australia that will ensure better protection of public health, while facilitating access to new technologies will benefit all Australians.

THERAPEUTIC GOODS (CHARGES) AMENDMENT BILL 2001

Currently the Therapeutic Goods (Charges) Act 1989 allows for annual charges to be payable in respect of 'listing' or 'registration' of therapeutic goods. Under the draft Therapeutic Goods Amendment (Medical Devices) Bill 2001, medical devices will be 'included' rather than 'listed' or 'registered' on the Australian Register of Therapeutic Goods.

The amendments in the Therapeutic Goods (Charges) Amendment Bill 2001 will allow charges to be payable for medical devices that are 'included' on the Australian Register of Therapeutic Goods.

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

COMMITTEES

Privileges Committee

Reference

Senator HILL (South Australia—Leader of the Government in the Senate) (4.23 p.m.)—At the request of Senator Tambling, I move:

That the following matters be referred to the Committee of Privileges:

(a) whether any person or body purported to direct Senator Tambling as to how he should exercise a vote in the Senate;

(b) whether a penalty was imposed on Senator Tambling in consequence of his vote in the Senate; and

(c) whether contempts of the Senate were committed in that regard.

I do not want to say much, because at this stage of the process it is generally very much a matter of form. The President advised the Senate yesterday that, in her words, the facts as stated by Senator Tambling appear to involve breaches of the provisions in Privilege Resolution No. 6, paragraphs (1), (2) and (4). She continued to say that there are relevant precedents for such actions being found to be contempts of parliament and therefore she determined that the matters should be given precedence. In moving the motion, I simply say that this is an unusual circumstance in relation to privilege.

I do not think that there has been another instance when the Privileges Committee has been asked to consider an allegation of a breach of privilege against the political party of whom the honourable senator is a member. Nevertheless, having said that, the resolution of the Senate does not in any way seem to distinguish political parties from any other influence that might be brought upon an honourable senator. Senator Tambling has brought to the President a case in which he believes that improper pressure was applied to him in breach of that resolution of the Senate. He has asked that the Senate Privileges Committee consider whether any person or body purported to direct Senator Tambling as to how he should exercise a vote in the Senate, whether a penalty was imposed on Senator Tambling in consequences of his vote in the Senate and whether contempts of the Senate were committed in that regard.

I certainly do not want to prejudge the issues, but I think it is fair to say that one accepts certain restraints when operating within the spectrum of a political party. We choose to enter politics and either seek office as Independents or we may do it with both the comfort and the restraints or the down side of a political party. It is not surprising that it is therefore unusual for such a matter to be brought before the Privileges Committee. However, I think Senator Tambling would say that the events in this instance were extraordinary and certainly, on their face, they seem to be far from the culture and history of political parties on our side of the chamber. In those circumstances, I am prepared to move the motion on behalf of Senator Tambling.

Senator ROBERT RAY (Victoria) (4.27 p.m.)—I have to say at the outset that the opposition rarely have a collective view on matters pertaining to parliamentary privilege. It is really up to individual senators on these issues, although, as in all political issues, some guidance is always taken from whoever is regarded as being the spokesman on a particular area. I think there has been an established principle in this chamber that, when a complaint is made to the President and the President gives that complaint precedence, there must be substance to the complaint. It is the President's duty to not give precedence to the trivial or insubstantial.

The only examples that I can think of where matters have not gone on to the Privileges Committee are when they have been moved directly off the floor of the chamber by notice of motion, rather than coming via the President. In every case that I can recall—someone may be able to show me wrong—in the last five years when Madam President has ruled for precedence on a privilege matter, this chamber has forwarded that matter on to the Privileges Committee. Of course, any President is usually well advised by the experts in this area, the Clerks, who are the only people—apart from maybe some members of the Privileges Committee—who have the corporate knowledge, because there are no specialists in this area. You cannot go out and consult a law firm, because it would be a bit like being a snow sweeper in Melbourne—you get employed once in every 30 years. It is a bit like trying to be a legal specialist in privilege—although I must say, at the rate these cases are starting to develop, some of you may suggest your children take a small interest in the speciality here: it may become a good little earner.

One thing I want to stress is that it is all very well to send this issue to the Privileges Committee. Remember: it will come back to this chamber. This chamber makes the final determination in these matters. All a privileges committee can do is gather some evidence, take the best advice possible and eventually make a recommendation back to this chamber. So you will not be getting the Privileges Committee to make a decision on these things; this chamber will actually have to make a decision on Senator Tambling's complaint.

I do hope that there is an acceptance in this chamber that the Committee of Privileges is a relatively objective committee. We have had a couple of abrasive debates here in the last five years when references have gone to the committee. The committee itself has been attacked, it has been traduced in terms of whether it gives someone a fair hearing or not, but of the 30 or 40 reports brought down in the last five years every one has been

unanimous. On any occasion when someone has had a personal interest they have stood aside from the inquiry. So I congratulate all my colleagues on the committee for taking their duties seriously. It is not easy to put aside your political prejudices, your political principles or your tactical political position, but basically this is one committee where as far as possible that should occur.

I have a problem with clause (a) of the motion Senator Hill has moved. It asks that the Committee of Privileges consider:

(a) whether any person or body purported to direct Senator Tambling as to how he should exercise a vote in the Senate ...

That then is measured against resolution 6 which says:

A person shall not improperly interfere with the free exercise by the Senate or a committee of its authority, or with the free performance by a senator of the senator's duties as a senator.

I do not think there is anything improper, prima facie, with someone purporting to direct someone how to vote in this chamber. I do not think that is a breach of privilege if a political party does it or if a lobbyist does it, et cetera. I presume that clause (a) relates to resolution 6 where it talks about improper interference. I do not think we need to amend it. I think the meaning for the committee should be clear from this debate that it is talking about 'improper'. We cannot say that people out there cannot try to direct us how to vote. They can try but they may not succeed. The reference in clause (b) as to penalty is a much clearer expression and certainly is within the ambit of privilege, but I worry about the phraseology in (a) because it has to be some form of improper interference or we have to talk about fraud, intimidation, force or threat of any kind, or a promise of inducement, et cetera. As a citizen you are entitled to try to direct a senator how to vote; you just cannot do it by employing any of the methods in resolution 6. I think that is a question of an assumption in the drafting that the Privileges Committee can overcome.

On the chronology of events as I understand them, earlier this year Senator Tambling was endorsed as No. 1 on the ticket for the Senate with 80 per cent, or near enough to it, of the vote. For all of us incumbents, that is a pretty impressive performance. I once got 88 per cent of the vote having given a 10-second speech. You have almost equalled my effort, Senator Tambling, so I congratulate you on that. I guess we all have a bit of sympathy for incumbents rather than challengers in this place. But then, as we understand it from both the documents lodged in the court case and from the press, Senator Tambling was directed or, if you look at the letter, advised—I think a bit of both—to vote down the interactive gambling legislation. But Senator Tambling voted with the government.

A central council meeting was then hastily called, at which all sorts of allegations about manipulation and failure of rules and proper process were made. We have the minutes of the meeting here. I have been in a few good stitch-ups in my time. I have to admit that I am a bit of an amateur when I read this. What a professional stitch-up job this was! What an ambush! Talk about pretty rough political practice. It is all here to be read. I really do think there are some difficulties there. Subsequent to the motion being carried, Senator Tambling went to the Supreme Court and sought an injunction. As it was, that injunction was unnecessary, as I understand it, because the CLP has given certain assurances to the court and the court will resume its consideration of these matters on 20 and 21 August. In the process of all that, mention is made of the possible involvement of the Senate Privileges Committee, but I do not really know how the two are supposed to interact in this particular case.

The major reason for speaking here in the chamber today is to put down a collective Labor Party position on one aspect of the matter. There are conflicting principles here between privilege and political practice. Irrespective of our respect for Senate privilege and all that goes with it, we as a party will not be voting to directly interfere in the preselection process of another political party—not now, not ever. People might say, 'You really should uphold the privileges of the Senate.' We say there are conflicting principles here. That is not to say that any of this case cannot be considered by the Privileges Committee, but ultimately we will not vote

and set the precedent for this chamber to start interfering in preselections all around the country. We cannot and we will not. But we do recognise now that preselections are no longer just the property of political parties. Whether we want them to be or not to be does not matter any more. Courts now are far more likely to intervene in preselections, and I am afraid that is where most preselection disputes in future will be determined. They will be determined in two ways: firstly, by determining whether there is a proper application of the rules and, secondly, because courts now think of taking things a little further to see whether the rules are fairly applied in these circumstances.

The wise political party, and I think the Labor Party is wise in these things, constructs such things as the plenary rule to avoid most of these court cases, because the plenary rule allows our national executive to intervene to overturn or reconstitute preselection processes. The same powers do not exist in other political parties, which leaves them very vulnerable to being taken to court. More and more, as we have just seen in the Ryan preselection matter, these matters are going to go to court. In Ryan, you had, as I understand it, a reasonably properly constituted preselection process which came up with a candidate, Mr Tucker, who represented the Liberal Party at the by-election. In Labor practice he would automatically represent you at the next election, but not so in the Queensland branch. There was a decision, against the Prime Minister's wishes, apparently—but I cannot confirm that—that a new preselection should be held. Then there was a further decision that it would not go by the normal method of preselection—it would be a combination of local branch officials and the administrative committee. Last Friday, as I understand it, a court in Queensland said, 'This process is just not on in terms of the rules.'

What you see happening in Ryan you are going to see happen time and time again—preselections will be challenged in the courts, and will be turned over on the basis of improper practice or improper procedure or just improper rules. That is a concern, but political parties are going to have to adapt, amend their rules and restructure themselves their rules and restructure themselves if they do not want preselections taken out of their hands. If we were to add the fact that we allow a parliamentary chamber to, say, direct a political party as to preselections, we would be in a terrible position because the moment you set the precedent it would be political opportunism and pragmatism that dictated where you interfere, and no longer principle.

I have to also put this down: this matter is being referred to the Senate Standing Committee of Privileges. Just going on past practice, it is unlikely that this matter could be resolved for eight weeks, at a minimum. We always deal with these matters initially on the papers. That means people have to be written to. We have to give reasonable times for responses. We then have to expose those responses, on a confidential basis, to all involved parties so they can come back. I am not sure that this can be a rushed process. I say this to Senator Tambling sitting over there: we will not rush it just for a colleague, I am sorry. We will follow the normal procedures and I am sure you would endorse that. The earliest there could be a report back to this chamber would be, I would think, 15 October, but possibly a lot later than that. Therefore, you run into the problem that this chamber may not be sitting. We may be in another mode, an election mode, by then—I do not know—and therefore it is difficult to see how a Senate Privileges Committee report can be acted upon by a chamber.

There is such an enormous amount of disputed ground here, too. What do we do in terms of public hearings? The Privileges Committee always tries to settle these things on the papers, but it may be necessary to hold public hearings, which could become a very partisan thing. I can at least give this chamber an assurance: as chairman of the Privileges Committee I am not going to turn this into a Christopher Pyne witch-hunt; I am not going to pervert the committee's processes just to satisfy some immediate political gain; I am not going to exclude witnesses; I am not going to try to include defamatory submissions from ratbags. At least we can say that all those things will not happen on this particular committee. I am sure that none

of my colleagues would even think of doing any of those things.

One of the things that this chamber is going to have to think about, and has thought about in other cases but never come to a long-term consistent view, is what do we do about the court case on 20 and 21 August? What we are doing in the O'Chee case is to authorise a barrister to appear as a friend at court. We did not do this in the Crane case—possibly to the regret of everyone. Again, we do not have a specialist in this area. We have to think long term of having a specialist in privileges matters who can be put on a retainer by the Senate and used as a friend at court to assist the judiciary in the interpretation of Senate privilege. We have seen some shocking decisions—maybe I should not go that far, but we have seen some very strange decisions by justices interpreting Senate privilege by going only to one or two sources, by ignoring a range and body of opinion.

We do have experts within our ranks. The Clerk sitting at the table is the knowledgable person on Senate privilege. But, the least knowledgable quite often, because they do not read all the possible sources, are the judiciary, and you get some very strange decisions coming out. We have to consider whether we do need to have a friend at court, as they say, a barrister briefed to at least inform the judge of what the privileges issues are.

A few minor points have come out of this. There are a few strange things. In the CLP central council minutes there is this classic plea from the Deputy Prime Minister. The council minutes state:

> John Anderson rang and wanted a message conveyed to the delegates that he asked Grant not to cross the floor as he did not want to lose him as a Parliamentary Secretary.

I think that belittles Senator Tambling. He voted on this matter as a matter of principle, and I am sure that his job was the last thing he had on his mind. I find that a very strange reference. I also find it strange that there is someone sitting in this building who actually probably opposes this being referred to the Privileges Committee. The *Northern Territory News* of Thursday, 5 July 2001 states:

> In Sydney, Prime Minister John Howard said he was disappointed. He said, 'But it's a thing between him and his party.'

Well, thank you, Prime Minister. You have one of your shock troops go over the top, bayonet fixed, and the Prime Minister is with him until the second last jump. Then it is between him and his party. I hope I get a bit more support from my leader when I run into strife fighting the party machine—other than to say, 'Here's the ambulance hand pass; I'll see you later.' So there is someone apparently in this building who probably does not want this referred to the Senate Privileges Committee.

There is also the strange issue of the two per cent levy. I do not think that is relevant to our considerations; it is relevant apparently in a peripheral way in the court case but I do not think that is a matter we need to consider at all.

The other interesting point of this—I have only been glancing over them—is the letters to the editor supporting Senator Tambling. There have been several. I did not realise he was such a wonderful person as these letters make out, but guess what most of them have at the bottom of it? It says, 'Name and address withheld by request.' This is not because Senator Tambling has gone out and drummed up letters; this is because there is an atmosphere of fear in the Northern Territory that, if you put your name to a letter and you cross the good old boys from the CLP, you will get punished. I think it is pretty sad that it has come to that.

Senator Hill mentioned in his remarks just how alien this is to conservative politics that you have a member of the conservative side of politics disciplined by his own party for voting in a conscionable way. We have said this all along, Senator Hill; you are no different from us. It is only a veneer. Deep down, when the crunch comes, you get pulled into line, you get disciplined and you get disendorsed. It is just that the Labor Party has always been open about it. We have always been a collectivist group. In the end the only thing that distinguishes us from you is double standards when it comes to these matters.

In conclusion, these matters should go to the Privileges Committee if they have been

determined to have precedence by the President. She has put down a rational argument in the statement that she made to this chamber. There are many issues of substance that can be determined here. I have no doubt offended long-term Senate procedure in my statement saying that the Labor Party will never vote to directly interfere in a preselection but, to me, that is an equally important principle as upholding Senate privilege. In any event, I still think there is plenty of meat here to uphold Senate privilege without actually going directly to the preselection issue.

Senator HILL (South Australia—Leader of the Government in the Senate) (4.46 p.m.)—If no-one else is speaking, I will very briefly close the debate by responding to four matters raised by Senator Ray. I will disregard the double standards suggestion, which of course I am happy to debate in other circumstances. We accept what Senator Ray has said in relation to the output of the Senate Standing Committee of Privileges. We do not believe it has operated as a politically partisan body. We have complained about some references to the Privileges Committee which we believe, if they had been carried, would have put certain honourable senators in an impossible position. But it is true that this committee on many difficult issues has reported and given its advice to the Senate in a way that is not influenced by party political positions.

On the issue of the terms of the notice of motion, if Senator Ray refers to the letter that was written to the President of the Senate by Senator Tambling he will see that clearly the paragraphs in the notice of motion are to be read to the provisions of Senate Privilege Resolution No. 6. It could have been drafted in a different way but his interpretation of it is, as I understand it, how it is intended to be read.

The third issue is that we on this side of the chamber would not fundamentally differ from what Senator Ray has said. He said that the Labor Party would not seek to interfere in the usual preselection process. We would not seek this chamber to be interfering in the usual preselection process or for the Privileges Committee to be involved in a usual preselection process—that was the point I was trying to make earlier. The issue here is whether there is, on the facts of this particular matter, an exceptional circumstance that might mount to a breach of privilege and what action the chamber—or individuals within the chamber, because we principally vote as individuals on these matters also—should take.

On the issue of timing, all I would say is that I hear what Senator Ray has said. Obviously, I would like to see the committee expedite its work as much as possible in the circumstances of this particular matter as it applies to the likely timing of other events, but I do accept that the committee must operate within the constraints of natural justice, et cetera. But if they are able within their practices of ensuring a proper hearing and fair play to move this hearing along, then I am sure Senator Tambling would appreciate that.

Question resolved in the affirmative.

WORKPLACE RELATIONS AMENDMENT (TERMINATION OF EMPLOYMENT) BILL 2000

Second Reading

Debate resumed from 6 August, on motion by **Senator Patterson**:

That this bill be now read a second time.

Senator FORSHAW (New South Wales) (4.50 p.m.)—The Workplace Relations Amendment (Termination of Employment) Bill 2000 is another attempt by the coalition government to target workers and to deny them legitimate rights that they currently have under the industrial laws and other laws of this country. This is not the first time that this government has introduced into the parliament legislation which would remove the rights of employees to take action for breach of employment contracts through unfair dismissal legislation. Indeed, we all recall that one of the first actions of this government after being elected was to pursue the Prime Minister's long-held ideological obsession of attacking trade unions by removing many of the entitlements that trade union members and other workers have enjoyed.

Notwithstanding the protestations of the minister in his second reading speech, it is clear that this legislation is not based on the

concept of a fair go all around, nor does this bill maintain a fair balance between the rights of employees and employers. If ever one wanted to see the height of hypocrisy, you only have to look at statements made by the Prime Minister over the years and, indeed, statements made by the minister in the second reading speech on this legislation. Often they talk about bringing balance into the industrial relations arena and bringing balance and fairness into employer-employee relations. However, what they are really pursuing is an agenda to reduce workers' entitlements and to restrict substantially any opportunities workers may have.

In the original legislation introduced by this government, which was subsequently passed, I recall that many provisions in existing industrial awards were removed by the stroke of a pen. At the time it was said that that was designed to streamline and improve the industrial relations processes and to modernise awards. They were noble objectives, but it seems that the only way in which this government can think in terms of those objectives is to look at the ledger and say, 'Let's remove the rights of workers, let's remove conditions from their awards and let's restrict or take away their rights to pursue action for unfair dismissal.'

For years, both in opposition and in government, the coalition has had an ideological obsession with attacking the trade union movement and workers. Once again, as we head into the final weeks before an election is due to be held, this government is dragging out the old bogy of attacking trade unions. Currently, we have the lowest ever dollar in the history of this country. Inflation is now running at close to six per cent. People everywhere, particularly in small business, are complaining bitterly about the introduction of the GST and the added administrative costs and burdens which that has placed upon them. There is a crisis in aged care. This government's handling of education, particularly higher education, is a mess. When it comes to health care, there is a total lack of confidence in this government, not only by the general public but also by the medical profession. There are serious environmental issues facing this nation and our international reputation is pretty much in tatters around the world.

What is this government's response to dealing with these issues? Drag out the old bogy, drag out the old piece of legislation from the bottom drawer and let's beat the unions and the workers over the head. Let's have a royal commission into the building industry to attack the trade unions. Let's get stuck into workers, but let's not be too concerned about employees—just as this government was not concerned about the collapse of the HIH company. The double standards of this government are there for all to see and it is quite clear that the public have had enough of them.

The Workplace Relations Amendment (Termination of Employment) Bill 2000 substantially restricts the rights of ordinary workers. When legislation was first introduced in 1996 regarding unfair dismissal, I pointed out that the argument that had been put by the government that unfair dismissal laws are an impediment to employment, particularly in small business, is a total fabrication. It is simply not true, and I will refer to the statistics to prove that it is untrue. The whole premise of this government's approach in this bill and in much of its other legislation is founded on the argument that, if we could only get rid of the unfair dismissal laws, if we could only make it easier for employers to sack workers, then we would have a massive improvement in employment. The government argues and others have argued that small businesses will not employ people while these laws are in place. That has been a constant argument coming from the government and from the business community which supports this government. The figures prove that that argument is totally false.

Statistics derived from the Australian Bureau of Statistics and from the Bureau of Industry Economics, which were provided to me by the Library, tell us that, back in September 1985, total employment in small business in the private sector was 2,553,100. That figure was comprised of employees, self-employed and employers in small businesses enterprises with fewer than 20 employees.

Approximately 10 years later, in March 1995, employment in the small business sector of the private sector had increased by 46 per cent to 3,725,100—an increase of 1,172,000. That is a 46 per cent increase in 10 years in total employment in the small business sector. If you break that down to look at the figure for employees alone, as distinct from the small business employer or those who were self-employed, it had increased from 1,487,700 in September 1985 to 2,580,200 in March 1995—a substantial 73 per cent increase in small business employment. In contrast, employment in the big business sector, as contained in these tables, had increased by 17 per cent and public sector employment, as we know, had reduced.

So all through that period when this government, then in opposition, was complaining about the Labor Party's unfair dismissal laws being a barrier to employment opportunity in small business, the sector in fact grew by almost 50 per cent, and it has continued to grow since this government came to office. From the latest figures I was able to obtain—which are from March 2000—total small business employment is 4,044,800. I point out that the rate of annual increase is much lower under the period of this government than it was under the period of the Labor government, but it has continued to grow. That has happened under the continuing unfair dismissal arrangements that were put in place by the Labor government. So where is this crying need to get rid of these laws that are a supposed barrier to employment growth in the small business sector? It is a complete and utter furphy.

In contrast to what this government wants to rely upon as the fundamental basis for its proposed changes, there are other problems that need to be addressed which this government runs away from. We have, of course, the issue of employee entitlements. As we have seen, this government has really done nothing at all to put the onus on employers to guarantee workers' entitlements. Talk about a government that says it stands up for the battlers! This is a government that stands up for the brothers—the Prime Minister's brother, of course, being the notable example in that regard. It is a clear double standard.

In terms of this legislation, one of the changes relates to the fact that costs will now be able to be pursued against an employee or a worker who pursues an unfair dismissal claim that is either unsuccessful or deemed to be frivolous. This legislation goes further than just providing that right of recovery of costs; it also requires, in certain circumstances, employees to put up a bond, a security, so that any costs that may be awarded against them are able to be paid. So not only has the worker lost their job but they are put in the position of having to put money upfront as a security in case their action for unfair dismissal fails and costs are awarded against them. Compare that situation, where the employee is required to put up a security in case costs are awarded against him, with the situation where this government will not require employers to provide the same security for employees' entitlements if their businesses go broke, close down or go bankrupt. On the one hand, under this legislation a sacked worker has to put up a security bond to cover the potential awarding of legal costs but, on the other hand, the employer does not have to provide any security for employee entitlements that have accrued. That is a double standard, and yet this minister and this government say that this is about providing balance and a fair go.

Another aspect of this legislation is that it will ensure that persons engaged pursuant to a contract for service—that is, deemed to be contractors—will have no entitlement to apply for a remedy in respect of termination of employment. The issue of the status of independent contractors and their rights under industrial law has been the subject of ongoing debate and litigation for many years. It is now the case that independent contractors have rights and are able to pursue their rights pursuant to various state and federal legislation and precedent decisions. But this government's view is that, if you are an independent contractor or if you are deemed to be a contractor, you have no rights to sue in respect of termination of employment. That is nothing more than a green light to all those scurrilous employers out there—and there are many of them in some industries—who will create artificial contract relationships

simply to avoid paying normal employee entitlements.

As a former union official, I could recount many stories of shearers—who have always been regarded as employees—who were in the position of only being able to get a job shearing if they were prepared to establish themselves as independent contractors and then seek the job. That meant that they would not receive any entitlements that would otherwise be provided for under the award. They had to carry their own insurance, meet their own costs in a range of areas and so on. That has similarly been the case in the clothing industry, in the building industry and, increasingly, in a number of other industries. Some employers are having a field day with that provision.

Another aspect of this legislation is that the Industrial Relations Commission will be required, when considering whether or not a termination is unfair, to have regard to the size of the undertaking, establishment or service. That effectively means that if you are employed by Telstra and you are terminated unfairly then you probably have a reasonable chance of getting your action started—particularly if you are in a union and you can get their support. But if you happen to work for the local corner shop and you get the sack then your chances of success—your chances of getting your job back or of getting any significant damages for unfair dismissal—are greatly reduced, simply because of the size of the enterprise. I thought this legislation—and the law, actually—was about equality before the law. This provision actually enshrines in legislation different standards for individual workers depending upon the size of the enterprise for which they work. That is simply unfair.

Furthermore, there is no consideration the other way. There is no consideration, for instance, given to the circumstances of the worker who, when he or she loses his job, is left in a serious financial situation, particularly if he or she has a family or other commitments. No, the government does not worry about the employee's economic situation. This legislation is all about concern for the employers. Far from restoring or achieving a balance in the employer-employee relationship, this legislation is unfair, unjust and, above all, unnecessary. I urge the Senate to reject it.

Senator McGAURAN (Victoria) (5.10 p.m.)—I take a few moments to respond to the previous speaker and to address the Workplace Relations Amendment (Termination of Employment) Bill 2000. Senator Forshaw said that this legislation is unfair. We, the government, reject this. The legislation is simply progressing the government's industrial relations reform program. However, Senator Forshaw did get one thing right: he said that when the coalition first came into government in 1996 industrial relations was high on our agenda. The government's plans with respect to reform in this area were no secret when we went to the 1996 election. In fact, we had been publicising our plans for those reforms, creating a far more flexible workplace and reducing union power over workers, for the previous decade or more. This government undertook reform—even though the legislation was difficult to get through the Senate—thanks to the Democrats and to then Senator Kernot. Ms Kernot saw reason at the time—although I am not sure that she would see that reason today—and accepted the government's reform.

When this government was first elected we were faced with two difficult tasks. The first was an economic one: the budget deficit black hole. It was some $10 billion. We had to set about, starting with our very first budget in 1996, planning for a surplus budget in the coming years. It turns out those decisions were very tough. Every department had to come in with at least a 10 per cent cut, and that is never easy to do. But the government's budget turned the $10 billion deficit around quicker than we imagined. Within the first two years, we entered a surplus budget. That is what you get for making the hard decisions early, for capitalising on the great majority that the government had at the time. We started to balance the books.

The second arm to the reform that was so necessary when we came into government some five years ago was the industrial relations arm. There is no use getting your economy right, balancing your government books and attempting to bring down government

debt, interest rates and the inflation rate if your industrial relations affairs are out of control. We knew we had to make the hard decisions in that area also, so we brought in our industrial relations legislation. I cannot believe Senator Forshaw's recent remarks in defence of Laurie Brereton's unfair dismissal laws—as though small business had no concern about them at all. It was in fact the highest industrial relations concern on the small business agenda. I think it even topped the 23 per cent interest rates. They wanted an abolition to Laurie Brereton's unfair dismissal laws.

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—Senator McGauran, refer to a member of the other place as 'Mr'.

Senator McGAURAN—I do not mind Mr Laurie Brereton at all, so I am happy to call him 'Mr' Laurie Brereton. But he really mucked up when he had the portfolio that covered the issue of unfair dismissal. I cannot believe that, after five years, Senator Forshaw defends those laws.

We had a logjam of the courts due to unfair dismissal cases and many, if not most of them, were vexed and unnecessary cases. Therefore we brought in laws to change that. Immediately, we got a 50 per cent reduction in the number of court cases dealing with unfair dismissals. In its simplest terms, the government reformed industrial relations to make it far more flexible. We introduced AWAs, Australian workplace agreements. We had fewer strikes. In the five years since this government has been in office, there have been fewer strikes than there were in the decades before. With fewer strikes and a stronger economy, we had lower inflation and higher productivity. In fact, real wages went up—something that the Labor government, under the accord system, could not claim to have achieved.

My point to the previous speaker and to others in the opposition is that the industrial relations reform which the government introduced in 1996 and which it has been progressively adding to—the legislation we have before us is part of that—is reform that filters and cascades throughout the economy. It is good for small business, good for employment and good for the workers. It may not be good for the unions that Senator Forshaw seems to be representing in this chamber. But he would know only too well that the first test of those industrial relations laws came on the waterfront. Not only did the opposition stand fair and square against those reforms but they stood fair and square against their application to the waterfront. Everyone knows—or should know—the situation which existed down on the waterfront before reform. It was the world's worst practice. Extortion, fraud and rorts ran rampant. Let's take just one benchmark: the rate of container lifts down on the waterfront was the world's worst. There were on average below 18 lifts per hour; in the city of Melbourne there were below 16 lifts per hour. Peter Reith was the minister then; you will not forget that, will you?

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—You should refer to members of the other place by their correct titles.

Senator McGAURAN—I am happy to give him that title. Mr Peter Reith was the minister for industrial relations at the time. He will be fondly remembered—at least by the government—for his tough and gutsy effort with regard to the waterfront reform. We had the world's worst practice, not just in productivity, but in union behaviour. Who could ever forget it? When the waterfront went out, the nation ground to a halt. The transport workers and every other union went out with them. It was an organised thuggery of the national economy. The farmers could not get their exports off the wharfs. I have other matters to get on to; I just wanted to remind those on the other side of the chamber what happened on the waterfront.

One of the great reforms we introduced was the return of the secondary boycott provisions, which isolated the MUA, the Maritime Union of Australia. To me, that was the finest reform that we introduced in the 1996 package. That isolated the MUA so that the transport workers and every other related union could not go out on strike in sympathy with the MUA. That meant that they could not intimidate employers who might not even be related to an export industry or an

import industry but who would simply be caught up in a national strike. The Labor opposition stood against the secondary boycott provisions. Those provisions have brought peace. They were ultimately the single factor that brought resolution to the waterfront troubles. Has anyone noticed that there have been no strikes down at the waterfront since the first big blow-up? Has anyone noticed that productivity—

Senator O'Brien—No, that is not true.

Senator McGAURAN—I have not noticed any national strikes; I have not noticed any strikes in Melbourne. On a good day down on the Melbourne waterfront, crane lift rates are at 42. The average is 25. When Mr Peter Reith sought reform on the waterfront, he simply asked for a modest lift of 25. On a good day they do 42. The world's best practice is occurring down there. The irony of it is that the workers are getting paid more than they were previously. Sometimes you have to stand in this place and make the tough decisions against an opposition that cannot see reason because of their representation of the unions. Even now, they will not concede that the waterfront is a better place for those reforms having been made.

I tell you what would make a wharfie blush: the construction union, the building union. Senator Forshaw stood up here and said that the royal commission that the government has just established into the building union is simply a political move prior to an obviously pending election. We simply reject that. A society has every right for a government to act as we did down on the waterfront and as we should in the construction industry. There are serious allegations of extortion and fraud and standover tactics. We have not acted in haste. This is something that has been before the cabinet on several occasions. We have acted upon the advice of a report handed down by the employer advocate. More than that, we have acted on the courage of certain unionists. No less than the secretary of the CFMEU, John Sutton, called for the National Crime Authority to investigate, to intervene.

Senator Jacinta Collins—The national secretary.

Senator McGAURAN—The national secretary, thank you. It takes a great deal of courage for a unionist to call for an inquiry into his own union. Yet we have Senator Forshaw saying that it is a political exercise. He knows only too well that the building and construction industry needs to be cleaned up. Just as we had the courage to clean up the waterfront, so too will we undertake the same investigation—the royal commission—that is so necessary in that industry. So I reject Senator Forshaw's limp defence of the construction industry. I do not know who he is defending down there, given the courage of John Sutton.

Senator Jacinta Collins—John Sutton. He's defending him.

Senator McGAURAN—He is defending John Sutton?

Senator Jacinta Collins—Yes.

Senator McGAURAN—Typically, I am confused by the opposition's argument when John Sutton has accepted—indeed, welcomed—the royal commission. Then the same speaker stands up here and defends the car industry strike, a strike in an industry that has seen 12,000 workers laid off. This is the cascading effect of the Tristar strike. It is based on workers' entitlements. Initially, 300 workers went out on strike in this industry, but some 12,000 have been laid off because of this strike. That has been the effect. The union boss there is Doug Cameron, whom we all know only too well as the apprentice to Merlin himself—Senator George Campbell from the Labor Party.

The ACTING DEPUTY PRESIDENT—Order! I would ask you to withdraw those remarks about Senator George Campbell.

Senator McGAURAN—I withdraw those remarks. But we know only too well that Mr Doug Cameron, the head of the AMWU, learnt much of his union tactics and thuggery from Senator George Campbell.

The ACTING DEPUTY PRESIDENT—Senator McGauran, I ask you to withdraw those remarks as well.

Senator McGAURAN—I withdraw those remarks.

Senator Jacinta Collins—How would you know, anyway?

Senator McGAURAN—Senator Campbell was the secretary to this union. He, of course, has the legacy, the reputation, as being the man who back in the eighties in one particular long and drawn out strike lost 200,000 jobs in the manufacturing industry. We know that because former Prime Minister Paul Keating accused him of it, of having 200,000 jobs around his neck. But it does not matter, when you are secretary to the union, when you have been brought up that way. The true rights of the workers do not really matter, it is the union power that matters, and their political arm in here is defending them to the hilt. How could you possibly defend this strike led by Doug Cameron where you have 12,000 production line workers with Holden, Ford and Mitsubishi laid off, particularly at a time when Mitsubishi was deciding, was at judgment point, whether they should stay in Australia or not? And over what? They talk about employee entitlement schemes. I have never heard such a shrouded cover-up argument in this chamber from Senator Forshaw.

This government is the only government that has in place an employee entitlement support scheme. Labor had 13 years to introduce one and they never did. You talked and talked about it, as your leader Mr Beazley so often does about policy, but you never introduced it. You have your own version now and no-one believes that you will introduce it. The form is there. This government has it in place. It is actually in place. We had the announcement just this week of the South Australian state government supporting that scheme. All we need now is for Mr Carr, Mr Beattie, Mr Bracks and Mr Bacon in Tasmania, those Labor premiers, to come on board and we will have a national scheme in place, funded 50 per cent by the federal government and 50 per cent by the state governments. We do not need these destructive powerbroking, self-promoting strikes by the likes of Doug Cameron to develop some harebrained scheme that will tax the employee and ultimately affect the employment of his own union members.

This government rejects that car strike. We believe that the workers should go back to work. We know that the Industrial Relations Commission has brought down a finding that the workers are acting improperly and should return to work. I do not know at this late hour what the final decision of the union was and whether in fact they were going back. The Labor Party have a real problem with the union. They have real problems with their masters. They are going into the next election with that problem unless they stand up and show a bit of courage in industrial relations. What are you going to do about these sorts of heavy-handed, old-time unionists who do not care about employment, who want to take the freedom of association that workers have a right to—to belong to a union or not—off them, who reject the concept of enterprise bargaining, of Australian workplace agreements? They wish to take away the individual rights of the workers. They will not give them a choice to belong to a union or not.

No-one is saying that the worker does not have a right to belong to a union. In fact, we uphold that right. But they also have a right not to belong. But that would not be in the beliefs and handbooks of people of the likes of Dean Mighell, the Victorian secretary of the Electrical Trades Union, Michelle O'Neill, Craig Johnston and, of course, the old Builders Labourers Federation's Martin Kingham. Those four Victorian unionists are slowly but surely—a bit quieter than they used to be under the Kirner government—seeping into the power and the corridors of the Bracks government. It will not be long before that government is again dominated by the Victorian Trades Council.

I just make those points in regard to the previous speaker. It was a limp performance by Senator Forshaw, who often shows more passion. Nevertheless, the words are in *Hansard*. Senator Forshaw has shown himself to be a defender of the old MUA, the old-style waterfront. He has shown himself to be a defender of the old-style construction union—absolutely deluding himself that there are not problems within the construction union. He has backed the existing Tristar strike, which has laid off 12,000 workers. He

has even backed Laurie Brereton's unfair dismissal laws—incredible as that is.

The ACTING DEPUTY PRESIDENT—Order! Refer to members of the other place by their title, please, Senator McGauran. I think that is the fourth time I have drawn this to your attention.

Senator McGAURAN—I apologise. I will leave it at that point. I utterly reject the previous speaker's arguments.

Senator HARRIS (Queensland) (5.30 p.m.)—I rise to speak to the Workplace Relations Amendment (Termination of Employment) Bill 2000. It is heartening to finally see the introduction of some ameliorating legislation rectifying some of the excesses that have been burdening businesses and their operations in this country. For too long, businesses have been unfairly restricted and hamstrung by the potential threat of vexatious litigation, much to the detriment of Australia's economy and employment relations. While I do not for one moment condone unfair or unjust dismissal by employers who, for whatever reason, undertake unjustified and vindictive action against their employees, nor do I condone the use of vexatious and litigious action by workers against their employers. We need a balance between the two and we need an element of trust. What we are looking for in this country is an active encouragement of trust and respect between both business and workers to the mutual benefit of all. Both parties are an integral part of the other, and the economic benefit to both parties and to Australia as a whole is a highly desirous goal.

I have spoken to many business owners, particularly small business owners, who are literally terrified of the consequences to their business, their health and their wellbeing of a highly undesirable legal action. The changes being introduced in this bill will generate a small element of security and stability into business management while, at the same time, removing the inherent element of distrust that arises from an unnecessary potential for abuse.

Businesses are now feeling the impact of the government's destructive tax measures recently inflicted upon the Australian population. It is interesting to note that the government when introducing the GST said that there was the possibility of up to 10 per cent of small businesses failing, not because of the potential of their business but because of their inability to cope with the requirements of the GST. Businesses that fail—through no fault of their own—will in some cases find themselves in litigation with their employees. This has the potential for employees to be laid off and could ultimately lead to an increase in unemployment and possibly and unfortunately an increase in the perception that the workers are being unfairly dismissed. May I point out that neither of the parties may be at fault: they are being cynically used as mere pawns in a much larger, all-encompassing and far more dangerous game. As a result, I hold grave concerns for both parties who, under the prevailing circumstances, will feel justifiably wronged. However, rather than see these parties as adversaries and take up adversarial positions, there needs to be the provision of adequate opportunities for both parties to be made aware of the true tide of events that have been irrevocably sweeping them along.

Difficult business circumstances are, unfortunately, a justifiable reason for reducing staffing levels. There is the potential for dollar-motivated lawyers to target these highly susceptible parties and to milk the system for all it is worth. You have only to look at the native title issue and the huge level of litigation there to sustain that argument. It would be to the great detriment of this country—to small, medium and large business—if the legal fraternity were to view this area as the same pot of gold that they have found in the Native Title Act. Hopefully, the opportunity being offered through this bill to the Australian Industrial Relations Commission to award costs against a legal practitioner will alleviate some of the more undesirable ambitions of the legal eagles. I also support the discretion given to the commissioner, under justifiable circumstances, to request that an applicant provide security for costs should the commissioner feel that the case has taken on a more vexatious and litigious aspect.

I have no doubt that there are many instances where workers are justified in pursuing actions of unfair dismissal. I would be first in the line to ensure that this avenue is never removed, and should their argument be vindicated then I support the instigation of the full force of the law. The workers in this country are fully entitled to well-paid and secure employment, with good working conditions, thus ensuring for everyone in our society a decent standard of living. This provision is necessary to underwrite our social responsibility to all Australian citizens. Any group, whether government or big business or outside foreign influences, that attempts to manipulate or undermine the social requirements will necessarily come to grief in this country and will meet their match with this party—that is, One Nation. Again, I commend the government on its action to lessen the burdens on small businesses and to offer the opportunity to defuse what has been a highly emotive and stressful area of contention between employees and employers. I hope the provisions being offered in this bill will also be used to enhance relationships between both parties, to further encourage the environment between both employers and employees in whatever industry and regardless of its size.

Micro businesses, which have fewer than five employees, make up a substantial percentage of the employment in this country. If this government were to stimulate the economy in a way that assisted these small businesses, if it were to remove some of the rigours and requirements of the GST legislation and if those employers were able to employ a single extra employee as a result of that, we would see a reduction in the number of unemployed in Australia within a very short period of time. Yes, we need this legislation and the benefits it will bring to both employees and employers, but we also need a stimulus to the small business economy, in particular, which would remove the stress of the unemployed and contribute substantially to the economy of this nation.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (5.39 p.m.)—I thank all senators for their contributions. I find myself in agreement with much of what Senator Harris has said in relation to the employment aspects of this bill. I have tried, where possible, to listen carefully to what senators have said during the debate, except, of course, when I was enjoying dinner with the Australian Industry Group last night.

Senator Jacinta Collins—You got dinner last night!

Senator IAN CAMPBELL—Yes, I did. It was very nice. I apologise to those whom I was not able to listen to. At the AIG dinner, it was interesting that a number of speakers, including, of course, the Prime Minister of Australia, made reference to the importance of the workplace relations reforms that have been implemented in this country since the coalition government was elected in 1996. Quite clearly, you would not have been able to have the sound economic growth, the improvement in living standards and the increase in real take-home pay, particularly for the lowest paid, in Australia that has occurred during the past five years unless you had proceeded with the reforms that were passed by the Senate then.

Last night Senator Sherry made the point that, because we were seeking to amend the law, we had not got it right back in 1996. That sort of logic would lead you to believe that you fix up a piece of legislation once and then you do not revisit it for some decades. That may well be the Australian Labor Party's approach to policy, and particularly policy in relation to labour market reforms. I suspect from listening to a number of the senators opposite that they would in fact seek to move Australia back to a far more centralised system where the unions had far more control over the citizens who were employed and where there was far more legislative control over the lives of individuals, particularly in the workplace. I do not think most Australians agree with that view. If you look at the trends in the number of employed people who are members of unions, it shows that the number has continued to diminish significantly. This is in a period where the unions and the Labor Party have fought hammer and tong to enforce their ideological

views on how and why people should join unions.

Since the election of the state Labor government in Western Australia, in the city of Perth there are once again signs that I regard as an insult in a democracy—that is, 'no ticket, no start' signs—appearing on building sites. That is an insult to the intelligence of individuals. It is an insult to the intelligence of the people who work on building sites, to the many men and women—mostly men, I suspect—who work in that industry and on those sites. The sad reality is that not only on building sites in Western Australia but also in many other parts of Australia the industries that supply those building sites, where traditionally union membership has not been as high as on building sites, which is virtually 100 per cent these days, are affected. Quite frankly, you cannot work on a building site in Perth unless you are a member of a union—the site gets closed down, people get intimidated and fear for their physical safety. That is a reality of industrial life on building sites and one of the very good reasons for the royal commission announced by the Prime Minister in Perth just recently.

One of the sad facts is that many industries; for example, the transport industry—the people who provide building materials to the sites—make it clear that if their workers, the truck drivers, the people who provide materials to building sites, are not members of unions they cannot go to the building site. Regardless of the views of those who work in the transport section of the building industry about whether or not they want to join, basically the companies will not be able to get access to the sites. They will have economic and other pressure put on them which cannot be resisted. Most people in that industry regard it as just a cost of doing business when they have to pay what is effectively extortion to trade unions. Because of the links between the trade union movement and the Australian Labor Party, it is effectively a form of extortion that sees money taken out of the pockets of workers and put into the coffers of the Australian Labor Party. I think most decent people would regard that as quite obscene.

Turning to the reason why union membership is declining, particularly since the changes that took place in the early 1990s with the amalgamation of unions, union membership has become increasingly remote from its membership. Like any organisation where the leadership is remote from its membership, the grassroots membership find that the need or the desirability of becoming a member of the organisation diminishes. But the sad thing for unions and their relevance in the modern era is that, when you force people to become members of an association against their free will, they will find whatever way they can to get out of it. So it is not surprising to see union membership dying in Australia. The unions, rather than trying to make themselves relevant to the modern information economy, which has changed so rapidly over the past few years, have decided that they would rather rely on thuggery, physical intimidation, and violence at times, as well as economic and physical extortion, to try to maintain their grip—their economic and political power over the Australian Labor Party.

It is worth having these debates and it is good to see Senator Harris making the point that the government is moving forward with further reforms to try to encourage employment and make the workplace relations legislation fairer. Since the 1996 reforms—and I had the great privilege of being a part of the debate in this chamber—from time to time we have brought forward further reforms. I say to Senator Harris that we will continue to do so because we believe that the job of reforming industrial relations is not over. The 1996 reforms could have gone further. Of course, they were a compromise that was reached at the time with the Australian Democrats. The reality of this place is that we cannot advance industrial relations reform further than the majority will allow us to do. The practical reality of the way in which the Senate is formed at the moment is that we cannot proceed with further reform without the support of the Australian Democrats.

Unfair dismissal reform is very important. You can stand in this place, particularly on the other side, and argue that employment in

the small business sector has risen with the existing system and, therefore, further reform is not necessary. You only need to speak to some small business employers to reinforce in your own mind, if you are fair and reasonable about this, that that is a total myth. The Labor Party may seek to delude themselves. Politically speaking, the more the Australian Labor Party and their so-called leader, Mr Beazley, stand up and say that we do not need unfair dismissals reform in this country the happier I am, because the small business community will know how out of touch the Labor Party are. The coalition are very keen to ensure that we listen carefully to the needs of small business and that we deliver. Industrial relations reform is a crucial part of that.

There are very few people involved in small business who employ people, particularly small and medium enterprises, who are not personally aware of the significant disincentive that the current unfair dismissal regime presents to employment. It is a fact of life that we do not bring these unfair dismissal reforms into the Senate month after month to have such arduous debates in the Senate and the reforms knocked off because we are masochists. We do it because we are listening to small businesses. I think Senator Harris' remarks were a form of independent affirmation of that. I am sure Senator Harris has had people coming to him from the small business sector claiming and making it clear to him—as they have to me and many others—that the law requires reform. These changes are a step in the right direction.

It is not surprising that the Labor Party oppose these measures. They want to go back to a 1950s or 1940s industrial relations system. That is effectively what the Labor Party will offer to the people at the next election. There will be a stark contrast, as there has been for the past decade. The coalition is moving towards a legal system and a workplace relations environment that encourages people at the workplace—the employees and the employers—to work together and to build enterprises, to build safe and successful workplaces, to build happier workplaces where everybody wins. You cannot do that by forcing people to join unions against their will. You cannot do that with an unfair dismissal regime that works against the interests of building that workplace environment where there is always the risk of litigation and high expense.

Every day in Australia people put off decisions to employ more people because of the unfair dismissal regime. The estimate that is regularly bandied around, almost to the extent of becoming a cliche, is 50,000 people. That estimate has been made by small business associations and other people who have looked at this problem. I cannot provide a better estimate than that. I just know that very rarely do I ever speak to a small business man or woman about the issues facing them where unfair dismissal is not raised. I am sure that Labor Party people, if they are frank about it, would say that that is their own experience. Perhaps small business people do not raise these problems with Labor senators because they know they would be speaking to a brick wall. We do need this reform.

The stark contrast at the next election between the coalition and the Australian Labor Party is that we are trying to build an industrial relations regime that is built for the new economy, for a dynamic Australia and for an Australia that seeks to achieve success in this rapidly changing world. We are trying to build an industrial relations regime that has the flexibility required to face the challenges of the new millennium. The other side offer a return to the strict, centrally controlled and commanded, highly legislated, highly litigious, union controlled regime that was really built for a pre-industrial and industrial era that has long since been replaced.

It is impossible for the so-called Leader of the Opposition, Mr Beazley, to promote himself as some wonkish, knowledge-noodlenation sort of New-Age guy when he is trying to put forward an industrial relations policy, the principles and foundations of which were built back in the first half of the last century. We are moving very successfully as a nation and as a leading information economy. We are leading the world in terms of our growth rates. We will not continue to be successful if we have leadership that is looking back to the first half of the last century rather than looking forward to the chal-

lenges and the opportunities for Australia in the first half of this new century in a new millennium. That is what the coalition seeks to do.

It is patently absurd for opposition senators to say that employment in the small business sector has been booming over the past few years, in spite of these laws. Yes, small business employment is going very well. It is going well for many reasons. It is going well because interest rates have come down from the 20 per cent, and over, bill rates that small businesses were paying under Labor. It is going well because mortgage rates have come down and people have more disposable income. Employment has gone up because consumers have more money in their back pockets. We have not only cut their interest rates by getting rid of government debt—reducing government debt by over 50 per cent, reducing the deficits that we inherited from Labor—but cut their taxes and they have more money in their pockets to spend.

The real wages of working men and women in Australia, particularly those on low and middle income wages, have significantly increased. The accord that was built between the previous Labor government and the ACTU was—as I think Doug Cameron is reflecting on in the newspaper this morning—a tying together of the political wing and the industrial wing of the labour movement. But that tie was in fact like a chain or some ropes tying the opportunities and the earning potential of working men and women. Real wages under Labor for 13 years were either stagnant or, in many cases, decreasing, whereas real wages under the coalition, for low and middle income earners, have significantly increased. There have been interest rate reductions, tax reductions and improvements to productivity and therefore wages, which are all a result of either industrial relations reform, tax reform or the fiscal reforms that you need to put in place—that is, balancing the books, ensuring the government does not spend more than it earns and, of course, paying back that $90-plus billion debt that we inherited after Mr Beazley's time in the Finance portfolio, that sad and sorry and pitiful period in Australian financial history. I hope that Australian people will look carefully at his record as a finance minister before they dare risk putting him back in charge of the Treasury. It would be a sad and sorry day.

In closing, I want to refer to a couple of matters that were raised that need rebuttal. The first of these concerns the independent contractors issue that was raised by Senators Collins, Hutchins and Forshaw, all of whom alleged that, if the bill were passed, independent contractors would be deprived of a remedy for termination of employment under the act. This is not the case. At present, independent contractors are not entitled to apply for a termination of employment remedy under the Workplace Relations Act, nor were they entitled to apply for remedy under the former Labor government's termination of employment provisions. The amendment proposed by this bill merely confirms the longstanding legislative intention and tries to avoid any doubts that might have been raised by the comments of the Federal Court in the case of Konrad v. the Commissioner of Police. We may have the very first inklings of a new IR policy. Maybe Labor is flagging their intent to give a new remedy to independent contractors—

Senator Jacinta Collins—It is not new, Ian, it has been our policy for years.

Senator IAN CAMPBELL—I am sure Senator Collins will elucidate on that during the committee stage. My second comment relates to the proposed amendments to the conciliation process. Senator Buckland, during his contribution, stated that in his experience of the federal jurisdiction, some parties were 'lucky to get more than 20 minutes conciliation'. If that really is the case, then the amendments that the bill proposes to the conciliation process will force conciliators to deal with claims with far more rigour than previously.

Finally, I turn to the amendment that would limit the commission's power to find the dismissal as unfair where it was based on operational requirements of the employer's business. Contrary to Senator Hogg's assertions, in the termination jurisdiction, the expression 'operational requirements' has a settled meaning. It refers to termination on

the grounds of redundancy. In the example that Senator Hogg gave, keeping the door of a shop open would not be regarded as an operational requirement by the commission.

I simply conclude by saying that the amendments proposed by this bill will build a better workplace relations environment in Australia. It will improve employment opportunities for many Australians and that is something that I think that all senators, regardless of their ideological leanings or union affiliations, should applaud.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.00 p.m.)—I table a supplementary explanatory memorandum relating to government amendments to be moved to this bill. The memorandum was circulated in the chamber yesterday.

Senator JACINTA COLLINS (Victoria) (6.00 p.m.)—I think it would be useful for the Labor Party to make some general comments before we go into the detailed amendments. We opposed the second reading of this debate because—and I think I indicated it fairly well in my second reading contribution—the Labor Party believe that this is bad legislation. In that context, following Senator Campbell's comments, I will add a couple more issues. Firstly, Senator Campbell indicated that he had the good fortune to be able to attend the Australian Industry Group dinner last night. I remind him that in my second reading contribution I highlighted the concerns that the Australian Industry Group raised in relation to provisions in this bill regarding conciliation matters. It is not the case that there is a broad consensus for provisions in this bill; there are a number of areas of concern to employers as well.

In talking about employers, Senator Campbell referred to small business—as, I noted, did Senator Harris. We also referred to the committee deliberations and consideration of evidence from organisations such as COSBOA. COSBOA are, I suppose I could describe it, sick to death of the 13—was it, Senator Murray?—occasions when this matter was used as a political football and are in fact concerned at the way in which Minister Reith misrepresented their position on the 50,000 jobs. I think they have indicated that fairly clearly in recent months, so I am somewhat surprised to see Senator Campbell blithely referring to that 50,000 figure yet again.

The final point I want to make in response to Senator Campbell's closing remarks is about his comments that—if I recall the paraphrase correctly—if we were frank, we would observe that there is a level of small business concern. I would in fact actually congratulate the government in that respect. Yes, there is a level of concern that has grown in more recent times from small businesses, but whether that concern actually reflects fact and good policy is a completely different issue. The government has been very successful at generating distress and misinformation, and it has been very successful at scaremongering amongst small business. In fact, the presentation of this bill at this time is more likely to be part of that strategy and a strategy to compensate against the concerns in small business with respect to the implementation of the GST than good policy measures.

In relation to the committee stage of debate, the Labor Party appreciate that, with respect to some of their amendments, the Democrats are trying to improve this bill, and we will support those amendments opposing items. We will oppose the bill, whatever its form when it is finally put to the vote, consistent with our position at the second reading. But, given the possibility that a version of this bill may pass the Senate, we will work constructively with the Democrats in the committee stage to improve as far as possible the bill as it stands. For the purpose of complete clarity, I reiterate that the Labor Party do not support this legislation, and our support for certain Democrats' amendments should not be viewed as anything other than the desire to make the best of a bad lot.

Senator MURRAY (Western Australia) (6.04 p.m.)—The Democrats oppose schedule 1, item 6, as indicated on sheet No. 2000:

(1) Schedule 1, item 6, page 4 (lines 7 to 31), **TO BE OPPOSED**.

In moving schedule 1 on sheet 2000, I indicate that our opposition is that item 6 would insert a section 170CCA, which would act as a covering-the-field sort of provision and, if passed, would stop people eligible to apply for an unfair dismissal remedy under the Workplace Relations Act from seeking a similar remedy under state law. The amendment would also stop people who are excluded for policy reasons from the provisions by the Workplace Relations Act or its regulations, such as probationary employees and casuals, from seeking a state unfair dismissal remedy.

We believe we should not address the legislation in that manner. We think employees are entitled to address state jurisdictions and it is up to the states to determine the basis on which they are to be approached. I might say that my own research seems to indicate a strange phenomenon that, almost regardless of the actual nature of the state laws—whether it is Richard Court's coalition laws in Western Australia or Bob Carr's Labor laws in New South Wales—the proportion of people going to the state jurisdiction does not seem to differ that much. So I think it is a reflection of the incorporation or non-incorporation of businesses and where their jurisdiction properly applies which matters more. With those few brief remarks, I move to oppose.

Senator JACINTA COLLINS (Victoria) (6.07 p.m.)—As I indicated in my earlier remarks—and perhaps if I make a blanket statement now I will not need to rise on any of the other Democrat amendments opposing items—we will support all Democrat amendments opposing items in this bill. I should also add that, as Senator Murray indicated in his speech on the second reading that the Democrats were essentially gutting the bill with a number of their amendments, we support that move. However, we obviously differ with the Democrats on the extent to which we think the bill has been gutted.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.07 p.m.)—Just briefly, as the owner of the fish I do not really like seeing it gutted. I guess that, if you are going to eat it, taking the guts out first is the best thing to do. We clearly are not supporting this amendment. We believe that forum shopping between federal and state jurisdictions in these matters is undesirable. It not only undermines the authority of the legislation but, far more importantly, for the employers in particular, leaves some uncertainty for them regarding their own obligations. If you have a range of potential legislative instruments covering the area, leaving it open to people seeking remedies under unfair dismissal provisions to create opportunities to forum shop is undesirable from an employer's point of view. I think all of us would agree that it is far better for employers to have a clear picture of what their legal obligations are. That picture would obviously be clearer without the amendment, but I recognise the numbers in this place will be successful in gutting this fish. In fact, I welcome the position of the opposition in relation to how we handle this bill. It will certainly expedite the proceedings if we state our positions and if the opposition is supporting all the Democrat amendments. I did learn one thing in the WA Liberal Party—that is, I learnt how to count.

Senator Jacinta Collins—It is only the opposing amendments.

Senator IAN CAMPBELL—That is right. The amendments that are gutting the bill; I respect that. I just thought that I would place the reason for our support for the provision on the record.

The TEMPORARY CHAIRMAN (Senator Chapman)—The question is that item 6 stand as printed.

Question resolved in the negative.

Senator MURRAY (Western Australia) (6.10 p.m.)—The Democrats oppose schedule 1, item 8, as indicated on sheet 2000:

(2) Schedule 1, item 8, page 5 (lines 2 to 5), **TO BE OPPOSED**.

Item 8 of the bill proposes to insert a new subsection 170CD(1A) which would make it clear that persons engaged under a contract for services, such as independent contractors, are not entitled to apply for remedy under the

act in respect of termination of employment. In some respects, this is just a clarifying amendment because, as persons who know this bill well will know, it was intended that persons under contract would not have access to unfair dismissal provisions.

However, having said that, you might wonder why we would take the view that we should oppose it. One of the reasons is the alienation of personal services income act. It is our concern that you will have persons who, in employee law, if you like, in common law, have a contractual relationship with an employer but in tax law are not regarded as independent contractors at all but are regarded as employees. So that is one clear area where things might become very unclear. We think the law so far has worked fairly well here. We are more than happy to revisit this area—the alienation of personal services area; who is or who is not deemed to be an employee; and who is a genuine contracted service person—once the dust has settled in a year or so.

The other point I should make of course is that the bill does not qualify the nature of the contract at all. It might be that the contract could in fact determine that, for purposes of unfair dismissal, the contractor would be considered an employee. In the interests of making things a little clearer, we thought that we should oppose that.

The TEMPORARY CHAIRMAN (Senator Chapman)—The question is that item 8 stand as printed.

Question resolved in the negative.

Senator MURRAY (Western Australia) (6.13 p.m.)—Here we are not gutting; we are actually doing a bit of stuffing, putting a bit back into the fish. I move amendment No. 3 on sheet 2000:

(3) Schedule 1, item 9, page 5 (line 11), after "remuneration", insert "or duties".

For the benefit of the chamber, I will read the clause. It says:

(1B) For the purposes of this Division, ***termination*** or ***termination of employment*** does not include demotion in employment if:

(a)the demotion does not involve a significant reduction in the remuneration of the demoted employee; and

(b) the demoted employee remains employed with the employer who effected the demotion.

We think that is a reasonable approach, but we think that, if somebody's duties are significantly changed, even if their remuneration is not, that effectively needs to be considered in the matter. That is why we have moved that appropriate amendment. As presently drafted, item 9 of the bill would insert new subsection 170CD(1B), which would have the effect of preventing a demoted employee from making application in respect of termination of employment where the demotion does not involve a significant reduction in remuneration and the demoted employee remains employed. Item 9 is amended with the words 'or duties'.

Senator JACINTA COLLINS (Victoria) (6.15 p.m.)—The Labor Party will be supporting this amendment from the position that the more limited the exclusion, the better. However, I must admit to being somewhat quizzed by this amendment. How can a demotion not include a reduction in remuneration and duties? In other words, do we now have a Clayton's demotion? What sort of demotion is there that does not involve a reduction in remuneration and duties? Perhaps Senator Murray can enlighten me a bit further on that issue.

Senator MURRAY (Western Australia) (6.15 p.m.)—All I can say to Senator Collins is that the government came up with the amendment and I came up with the improvement. I can leave it to them to explain that.

Amendment agreed to.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.16 p.m.)—by leave—I move government amendments (1) to (3) on sheet EV256:

(1) Schedule 1, page 5 (after line 13), after item 9, insert:

9A Subsection 170CE(1)

Omit "subsection (5)", substitute "subsections (5) and (5A)".

(2) Schedule 1, page 5 (after line 20), after item 10, insert:

10A After subsection 170CE(5)

Insert:

(5A) An application under subsection (1) must not be made on the ground referred to in paragraph (1)(a), or on grounds that include that ground, unless the employee concerned had completed the qualifying period of employment with the employer at the earlier of the following times:

(a) the time when the employer gave the employee the notice of termination;

(b) the time when the employer terminated the employee's employment.

(5B) For the purposes of subsection (5A), the ***qualifying period of employment*** is:

(a) 3 months; or

(b) a shorter period, or no period, determined by written agreement between the employee and employer before the commencement of the employment; or

(c) a longer period determined by written agreement between the employee and employer before the commencement of the employment, being a reasonable period having regard to the nature and circumstances of the employment.

(3) Schedule 1, page 20 (after line 10), after item 42, insert

42A Application of items 9A and 10A

The amendments of the *Workplace Relations Act 1996* made by items 9A and 10A apply only in relation to applications under section 170CE of that Act where the employment to which the application relates commenced on or after the date on which those items commence.

The amendments moved on behalf of the government would introduce a three-month qualifying period of employment before an employee would be entitled to apply for a remedy in respect of harsh, unjust or unreasonable termination of employment, that is, unfair dismissal. The qualifying period would apply to employees whose employment begins on or after the day on which the amendments commence. The qualifying period of three months would operate as a default provision. The amendments would allow an employer and an employee to agree to a longer or shorter qualifying period provided the agreement is in writing and has been entered into in advance of the employment. Where the employer and employee agree to a period of longer than three months, there will be a requirement that the period be reasonable, having regard to the nature and circumstances of the employment. The qualifying period proposed by the amendments would not apply to exclude claims in respect of unlawful termination of employment, for example, termination on discriminatory grounds.

These amendments to establish a default three-month qualifying period of employment are based on similar provisions in the Queensland Labor government's Industrial Relations Act 1999, which commenced on 1 July 1999. The provisions in the Queensland IR Act replaced the regulations that had been made by the Borbidge government to exclude employees of employers with 15 or fewer employees from the operation of the unfair dismissal provisions within the first 12 months of employment. As the Queensland government—that is, the Beattie Labor government—stated in its submission to the Senate Employment, Workplace Relations, Small Business and Education Legislation Committee about its new provision:

> This provision recognises that when an employee first commences with an employer there is a right to trial the employment relationship, and that an employer should be given time to assess whether an employee is suitable for the job. A longer period may also be agreed at the commencement of the employment, taking into account the nature and circumstances of the work involved.

I now turn to the amendments. Amendment (1) is consequential on the changes proposed by amendment (2). Amendment (1) would insert item 9A into the bill to amend subsection 170CE(1) of the Workplace Relations Act 1996 to insert a reference to subsection 170CE(5A). Amendment (2) would insert item 10A into the bill, which would propose the insertion of new subsections 170CE(5A) and (5B) into section 170CE of the Workplace Relations Act. New subsection 170CE(5A) would state that a person would not be able to apply under the Workplace

Relations Act for a remedy for unfair dismissal unless he or she had served a qualifying period of employment—either the default three-month period or a different period as agreed with the employer. New subsection 170CE(5B) would set out the content of the qualifying period of employment.

Amendment (3) would insert item 42A into the bill. Item 42A is an application provision. It would provide that the provisions to be inserted by amendments Nos 1 and 2 would apply to applications in respect of termination of employment where the employment to which the application relates commenced on or after the date on which the amendments commenced.

Senator JACINTA COLLINS (Victoria) (6.20 p.m.)—It will not be any surprise to listeners that the Labor Party will be opposing these amendments, despite what has occurred in Queensland, and I will address that issue in a moment. Yesterday, as I waded through these amendments, the bill, the act and the regulations to ascertain exactly what was meant by these amendments, I was taken back to reading the explanatory memorandum. I would like to take a moment to commend the department because I think their synopsis is perhaps the most accurate. What they indicate in their outline and what is essentially the guts of this matter is that the amendments will put in place a default provision. That default provision will mean, unlike the present situation, that by default if nothing else occurs a three-month qualifying period will apply. Going to the Queensland example, Senator Campbell quite correctly indicated that the existing right that people had under Borbidge was a probation period of 12 months. So what Beattie has in essence done is reduce 12 months down to three months.

The TEMPORARY CHAIRMAN (Senator Chapman)—Excuse me, Senator Collins, would you address the Premier of Queensland by his proper title.

Senator JACINTA COLLINS—I am sorry; it is Mr Beattie. So 12 months, as introduced by Mr Borbidge, has been reduced down to three months, which in the context of our approach to this bill is fairly consistent with our view that we will support improving a bad lot. I would probably support the view that the Queensland government go further in the future and take another step and go down to zero level, but at this stage it is three months.

I was reminded of the comments about existing rights that Senator Murray made in his speech at the second reading stage. I think he quoted Joe de Bruyn, if I recall, in his perspective on termination of employment. It was quite a good comment. You need to look at what people's existing rights are and whether there are moral and human rights interests that need to be taken into account. When I reflected on Senator Harris's contribution to this debate, I thought it was particularly apt—and I will be interested to see how Pauline Hanson's One Nation Party votes on this matter—to remind Senator Harris of his comments about how the system should accommodate good faith, respect and trust between workers and their employer.

Consider this type of example: an employee in quite a comfortable job chooses to take up employment with a new employer. In good faith, respect and trust, the employee does not tie up all the details about that employment. They might leave a fairly comfortable job and go to another reasonably comfortable job but, within one or two weeks, they discover that they are terminated for no good reason. This provision, by default, will mean that such an employee, who has acted in good faith and who has trusted and respected their employer, will have no rights. So I encourage Senator Harris to stand by his word in relation to this amendment and think about those employees who, if this amendment passes, will have no rights because they have acted in good faith, respect and trust and have not sought to tie up all these details at their engagement. This amendment will, by default, exempt them from having any rights.

I think perhaps the further comment that needs to be highlighted here is that—as Senator Campbell indicated in talking to the amendment—there is plenty of option to reach alternative arrangements. But the guts of the matter is that the department quite fairly and squarely indicated in its outline in the explanatory memorandum that a default

provision is part of these amendments. It is quite clear—it is in item 2, (5B)(a): three months. Three months is what happens if you have acted in good faith, respect and trust.

Senator HARRIS (Queensland) (6.25 p.m.)—I would like to indicate that Pauline Hanson's One Nation will support the government's amendments, and I take into account the opposition's comments. With respect, I raise the issue that, as part of the synopsis that has been put to us, a person who is transferring employment has to take into account a reasonable assessment of their suitability for the job that they are going to undertake and the direction of the employer they are joining. I believe the amendment should be supported, because it allows a period under which the employee can assess whether they wish to continue in employment with that person and it allows the employer to have the ability to assess the suitability of the new employee. Within this period of assessment, from the side of the employer and the employee, I do not believe that it is conducive to employment for only one person to have the right of legal redress against the other.

Inasmuch as there should not be the ability for the employee to seek wrongful dismissal, on the other hand there is no right for the employer to infer or seek redress if they have, in actuality, been misled in any way. I believe this amendment does give a balance. It gives the opportunity for both parties to assess whether they have made the correct decision and, if that is not the case for both of them, very simply and within the reasonable bounds that the government has placed, this does not remove the employee's ability to challenge that they have been unlawfully terminated in contravention of sections 170CK, 170CL and 170CM or 170CN of the Workplace Relations Act. The ability is still there for a person to have redress under those conditions, and I believe the government's amendments bring a balance and a situation where both parties can enter into an agreement of employment with both respect and trust. I indicate that Pauline Hanson's One Nation will support the government's amendments.

Senator MURRAY (Western Australia) (6.29 p.m.)—My understanding of default—perhaps the parliamentary secretary can correct me if I have misunderstood—is that it means 'in the absence of'. In other words, in the absence of a written agreement the probationary period is determined by this amendment to be three months—that is my understanding. If there is a written agreement, my reading of your amendment is that that can be varied. That being so, my understanding was that the three-month probationary period has applied since the 1996 act. I had understood that the 1996 act extended the number of probationary employees who could not apply for unfair dismissal, by allowing a full exemption for new employees in their first three months of employment. I had understood that that was established in regulation. I did not look up the regulations, unlike Senator Collins. So, if that is true, is this or is this not transferring what is law under regulation to the act itself? Perhaps you could clarify whether that is true or not.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.31 p.m.)—The position put by Senator Murray is correct to the extent that the amendment we are discussing would put in place a default, so if there is no agreement the default would apply. If you are taking up Senator Collins's position, it could be argued that in a way it ensures that the employee is virtually guaranteed a minimum of three months. If you are going to bargain or have a discussion, it means basically that the employee is in the position of ensuring that they have the period of three months. I guess the employer could seek to extend it if they wanted to but it is going to guarantee that minimum for an employer. I have not been in small business for a long time now—I miss it on some days! In my experience then and in my experience here employing people, as I do as a member of the ministry and as a senator, I think generally a three-month probationary period is not unusual. I know it changes from time to time depending on circumstances. I do not have any evidence of that; I do not have an ABS survey on probationary periods—although I am sure that somewhere in govern-

ment there is one—but I do not think it is an unusual period of time.

To answer Senator Murray's question specifically: yes, that is what this would do. In relation to the existing regime, if there is a written agreement in place that is determined in advance of the employment, there will be a period of three months or more, but there is no default at the moment and I guess that that is why this is changing.

Senator Murray—That is by regulation?

Senator IAN CAMPBELL—It is done by regulation, that is right. There is no default in the place of no agreement prior to the commencement of the employment, so this remedies that.

Senator MURRAY (Western Australia) (6.33 p.m.)—I think the debates of 1996 would show that at the time the Democrats accepted the view that three months probation was a reasonable period but we recognised that there were occasions when it was unnecessary and probably unreasonable. I would think that there are some very mundane tasks where you might not necessarily want to go that route, whereas there might be others which are highly technical or scientific or whatever where you might want to extend it. One of the concerns I have always had is with the amount of common law contractual relationship which exists between employees and employers. I think the figures from the department indicate that there are over one million common law contracts which cover the employment relationship. In those circumstances, it seems to me that an unscrupulous employer could claim a verbal agreement that the probationary period was much longer than it actually was or claim that one was stated to an employee when it never was. That can result in bad outcomes for an employee. For me, the issue of certainty is a good one.

You then come back to the question of what is reasonable. If I look at your amendments, it seems to me that the important one is item 2. I do not really see that there are problems with item (5A)—unless Senator Collins can point me to them—because that determines process, things you have to do, which seems reasonable. I would read subclause (b) of item (5B) as actually shortening the probationary period if in writing, so that cannot be a bad thing from the perspective of Senator Collins's argument. Subclause (a) determines the default period, so it is three months in the absence of anything else. Subclause (c) determines a longer period. That is not limited in any way; it does not say 'a longer period not exceeding 12 months' or that sort of thing. From what I have before me, I understand that you regard the safeguard against an unreasonable period being imposed by an employer simply to keep them out of the hands of unfair dismissal legislation as being a consequence of the qualifying clause at the end of (c), which says 'being a reasonable period having regard to the nature and circumstances of the employment'. It seems to me that if you regard it as unreasonable you could go along to the Industrial Relations Commission and ask for it to be set aside, but of course that involves you having a union connection and having to go through the process time and cost considerations of that. My instinct is not to be overconcerned about the default idea—particularly as Mr Beattie is prepared to accept it; it always helps if somebody else is doing it successfully—and certainly not to be concerned about (5B)(b). But I would like a view from you, Minister—I presume after consultation—as to why (c) was not qualified in any way with some kind of ceiling, why it is open-ended.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.37 p.m.)—To put some limit on it—whatever limit you chose—would be arbitrary. We have been discussing some examples, some serious and some slightly flippant. You could draw a whole range of circumstances, and what would be reasonable could differ greatly. If you were, for example, talking about a 747 pilot, or about a range of other employment options, then obviously you would have a pretty short period, but for other employment options you may have a longer period. It would depend on a whole range of things. The current regulation, I am informed, is not limited. It is only limited to the extent that the commission has the discretion to deter-

mine what a reasonable period is, having regard to the nature and circumstances of the employment. I think those words are virtually lifted from the regulation.

Senator JACINTA COLLINS (Victoria) (6.38 p.m.)—While Senator Murray is seeking advice I will make some further points. Senator Murray said that at the moment there are circumstances when a three-month qualifying period would be unreasonable. This is fundamentally our concern with the default. Part (5B) allows for a shorter period or for no period, and this would be determined by written agreement between the employee and the employer before the commencement of employment. But the reality of what occurs between an employer and an employee when discussing and bargaining an employment relationship is often that the employer's preference is accepted.

I agree with Senator Campbell's comments with respect to the current regulations. He has accurately described the situation. But an advantage of the current regulations is that, if there is a probationary period, it will be advised. That is, if you choose to change your employment then you will know if there is an applicable probation period, because the details of that would have been discussed and provided to you. If this amendment were incorporated into the act, regardless of whether or not it is reasonable, a three-month exclusion period would be provided. You, the employee, may not even necessarily be aware of that, as it occurs by default because of a provision in an obscure and very lengthy—as Senator Murray often likes to say—act. That is one of the problems with this default.

I also concur with Senator Murray's concerns about part (5B)(c) being open-ended. I have serious concerns about enabling employers, with the balance of power generally in their favour, to establish exclusion periods in relation to employees' rights that employees may sign onto and that could go for a very long time. In practice, as Senator Murray is fully aware, employees are often vulnerable in terms of exercising their rights, and they could go through a very difficult process to establish that it was a reasonable period. This essentially establishes another complication and another burden in dealing with an unfair dismissal case. These people may or may not have to jump jurisdictional hurdles, and now they will have this extra hurdle—because when they took a job, probably unbeknownst to them at the time, they actually signed away their rights in unfair dismissal or termination of employment. That is—Senator Murray is right—another effect of this amendment if it is incorporated into the act.

Senator MURRAY (Western Australia) (6.42 p.m.)—Senator Ludwig, through the chair, I do not think (5B)(c) is presently in the regulations. There is nothing about that, is there?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.42 p.m.)—The best thing is for me to read regulation 30B(1)(c) from the Workplace Relations Regulations 1996:

(c) an employee serving a period of probation or a qualifying period of employment, if the duration of the period or the maximum duration of the period, as the case may be, is determined in advance and, either:

(i) the period, or the maximum duration, is 3 months or less; or

(ii) the period, or the maximum duration:

(A) is more than 3 months; and

(B) is reasonable, having regard to the nature and circumstances of the employment ...

It is almost a paraphrase.

Senator LUDWIG (Queensland) (6.43 p.m.)—I am curious as to a word change a number of people have made. Is there a difference between a probationary period and a qualifying period? The amendment that you seek talks about a qualifying period, but everyone seems to be talking about a probationary period. Is it simply a nomenclature that you have now taken up?

In addition, is there a definition as to when the employment commences? I cannot find any in the principal act. There may be a definition in the regulations. There is an argument about when an employment commences and, if you are seriously pursuing this, it is important that people can identify

when the period commences. So it would be helpful if you could provide a definition of the commencement of the employment.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.44 p.m.)—In relation to the first question, I understand that the word 'probation' and the words 'qualifying period' are entirely interchangeable. In relation to the second matter, I am informed that it is a matter for common law.

Senator LUDWIG (Queensland) (6.45 p.m.)—Perhaps you can tell us what the definition of 'commencement of employment' is, when it does commence. That might be of assistance so that we can identify for the record what it means. I do not quite understand the answer—that it is a matter for common law.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.45 p.m.)—I am told two things: firstly, that it will be a term of the contract of employment; and, secondly, that it would be prior to the first day of work. So, for Senator John Cherry, it will be prior to 12.30 p.m. on Monday this week.

Senator LUDWIG (Queensland) (6.45 p.m.)—For argument's sake, say a person in Brisbane were offered and accepted over the telephone employment as a station hand in Longreach. That person has not actually commenced work, so is it possible that when that person gets to Longreach on the Sunday night they can then pursue this issue?

Senator Ian Campbell—Never on a Sunday!

Senator LUDWIG—Perhaps they could do it on the Monday morning before they commenced work, so they have not actually started and they sign an agreement at 7 a.m. Is that before the commencement of work, given that in the employment arrangement there was an offer and an acceptance, although no remuneration had passed? What would be the situation in that position?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.47 p.m.)—I think it is in contravention of standing orders to give legal opinions, but it is also in contravention of the fact that I am not a member of the guild of lawyers—one of the few people around this joint who is not. It has to be in writing. That is the crucial thing. It would depend on when the hypothetical person put the agreement in writing.

Senator JACINTA COLLINS (Victoria) (6.48 p.m.)—Can I clarify that issue? I suppose we are referring to the act here. The department might be able to assist us on this point. Where this amendment does refer to 'commencement of employment', what does the act indicate, if at all, in terms of definitions on that point?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.48 p.m.)—That was the question that Senator Ludwig asked. There is not a definition. It is a matter of common law.

Amendments agreed to.

Senator MURRAY (Western Australia) (6.48 p.m.)—Mr Temporary Chairman, I rise to refer you to item 4 on sheet 2000. That refers to item 10 of the bill. We oppose that. Those items, which go together with some other items, relate to preventing the commission from making a finding that a termination is harsh, unjust or unreasonable where the reason for the termination or terminations relates to the operational requirements of the employer, unless the circumstances are exceptional. So we wish to oppose it in the circumstances.

The TEMPORARY CHAIRMAN (Senator Chapman)—The question is that item 10 stand as printed.

Question resolved in the negative.

Progress reported.

DOCUMENTS

Agriculture and Resource Management Council of Australia and New Zealand

Senator BARTLETT (Queensland) (6.50 p.m.)—I move:

That the Senate take note of the document.

The report deals with the 19th meeting of the Agriculture and Resource Management Council of Australia and New Zealand, which is made up of the various agriculture and primary industry ministers at state and federal levels, as well as those in New Zealand. This report details a lot of different discussion items from the meeting that was held in March this year in Wellington, New Zealand. There were components of it which dealt with animal welfare issues that I would like to touch on briefly. One in particular concerns progress on the implementation of layer hen housing decisions, including egg labelling.

As senators may recall, the Democrats—along with many in the Australian community—strongly campaigned throughout last year and indeed the years prior to have significant changes made to layer hen housing in Australia, particularly in relation to the phasing out of battery cages. The meeting of ministers in August last year in Brisbane considered proposals to phase out conventional battery cage systems. Unfortunately, despite huge support for such a move amongst the Australian community, the ministers did not agree to do that, instead adopting what, in the Democrats' view, were very inadequate improvements to overall space for caged hens. The conditions that battery hens endure are quite clearly inhumane and are virtually impossible to make humane. That is why the Democrats, along with many others in the community, have supported moves to phase out the cage. Unfortunately, that campaign will have to continue for some time yet.

The meeting also considered one of the other potentially positive decisions from earlier times in relation to egg labelling. The meeting in August 2000 agreed to develop some egg labelling guidelines, again to help ensure that there is greater consumer awareness of what they are actually buying. Surveys have indicated many times that a lot of consumers actually are not aware that they are buying caged bird eggs. With many of the labels—for example, eggs that are labelled as vegetarian eggs, organic eggs or farm fresh eggs—people assume the eggs are not produced by caged birds, but in most cases eggs that are labelled that way are. So there was agreement to try to get some clear-cut national standards for labelling of eggs so that at least consumers would not be misled about the fact that they were buying eggs from birds in battery cages and would be aware that they would be supporting an inhumane system of egg production if they were buying such eggs.

Unfortunately, there was a lot of disagreement between industry and representatives of groups such as the RSPCA and Animals Australia as to what the code should be, what the standards for egg labelling should be, particularly, as is detailed in this report, the location of the labels on cartons, the font size of the labels and the term to be used to describe eggs produced in cages. There was a strong desire on the part of the animal welfare groups to specifically state that eggs from battery caged birds would actually say 'battery cage' on the label, but the industry fought hard against that and, instead, managed to get simply the label 'cage system' put on the carton. The size of the font also was a lot less than was desired, as was the placing of the label.

I also note that the ACT parliament, which was the pioneer of the proper labelling of eggs from battery cages as well of attempting to move to phase out battery caged egg production, is now moving to downgrade its labelling requirements to meet the weaker standards that have been agreed by ARMCANZ. That is a very unfortunate situation, and I certainly hope that the ACT Legislative Assembly does not support the moves of the government to go down that path. There are a number of other aspects and important areas in this report, and I think it highlights the immense range of primary industry and agricultural issues that are of concern to all levels of government around Australia. *(Time expired)*

Question resolved in the affirmative.

Agreement between Australia and the Argentine Republic Concerning Cooperation in Peaceful Uses of Nuclear Energy

Senator BARTLETT (Queensland) (6.57 p.m.)—I move:

That the Senate take note of the document.

I have had the chance to have only a brief look at this document. As it is a treaty action, it will come before the Joint Standing Committee on Treaties, of which I am a member, and I certainly will welcome the opportunity to examine it in more detail at that time. But I understand that the treaty is to be signed by the relevant ministers from Australia and Argentina this week—possibly tomorrow. As it states, it concerns cooperation in peaceful uses of nuclear energy. I think it is appropriate to highlight that the Democrats do not support any expansion in the use of nuclear energy.

This agreement, I believe, relates to use and treatment of wastes coming from the new reactor at Lucas Heights, which has been a matter that the Democrats, along with others, have expressed concern about and pursued a number of times in this place over quite a period. This agreement obviously seeks to further advance that and, therefore, I think it does require great scrutiny. It is appropriate and pleasing that we have a committee on treaties that will be examining this agreement in more detail. Certainly I flag at this stage the importance of this agreement and the hope that it does get some significant scrutiny of what it will mean for the potential expansion of Australia's involvement in the nuclear energy cycle. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following government documents were considered:

> National Environment Protection Council—Review of the National Environment Protection Council Acts (Commonwealth, State and Territory)—Report by Donald F McMichael and response. Motion to take note of document moved by Senator Bartlett. Debate adjourned till Thursday at general business, Senator Bartlett in continuation.
>
> Indigenous Land Corporation—National Indigenous land strategy 2001-2006. Motion to take note of document moved by Senator Harris. Debate adjourned till Thursday at general business, Senator Harris in continuation.
>
> Treaties—*Multilateral*—Text, together with national interest analyses—Amendments to the Convention on Conservation of Nature in the South Pacific adopted by consensus at the Fifth Meeting of the Contracting Parties held in Guam on 9 October 2000. Motion to take note of document moved by Senator Harris. Debate adjourned till Thursday at general business, Senator Harris in continuation.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! The consideration of government documents having now concluded, I propose the question:

That the Senate do now adjourn.

Aviation: 50th Anniversary of Pioneering Flight of *Frigate Bird II* to South America

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (7.00 p.m.)—On 13 March 1951, five heroic Australians left Rose Bay flying base in Sydney aboard *Frigate Bird II* on a pioneering flight across the South Pacific Ocean to South America. The flight demonstrated the possibility of air contacts with a significant part of the world in the South American continent. On 13 March 2001, 50 years to the day after that historic departure, a celebration was held in Sydney at the Powerhouse Museum to commemorate the significance of that flight to aviation transport between Australia and the rest of the world.

In the last 50 years, the significance of international air transport has rapidly and progressively increased and our nation owes a debt of gratitude to those pioneer aviators who blazed the trail for international air links from Australia. Australia's pre-eminence in aviation exploration and the benefits which that exploration has brought to our country were recognised at the Sydney function. I had the honour of hosting, on behalf of the government, a dinner in the Powerhouse Museum, which took place beneath the actual Catalina flying boat that undertook the historic flight in 1951. The guest of honour at the celebratory function was the last surviving member of the crew, Mr Eugene Dennis 'Blue' L'Huillier, who was the flight engineer on the flight. Lady Joy Taylor, the

widow of the captain of the flight, the late Sir Patrick Gordon Taylor, attended, as did Mrs Patricia Allison, the widow of the radio operator, and representatives of the family and other members of the crew: Captain Harry Purvis, Second Officer, and Mr Jack Percival, the Executive Officer.

A number of speeches were delivered on the night, including significant recollections of the flight from Mr L'Huillier and other people directly or indirectly associated with the flight. I will seek leave to incorporate an almost complete transcript of the speeches that night. The transcript is incomplete due to the changing of the tape during Mr L'Huillier's answer to a question. Otherwise the material contains some very interesting and historic speeches of people involved with that flight.

In conclusion, I wish to mention four people who were instrumental in ensuring that this significant part of Australia's aviation history was properly and appropriately recognised. They are Councillor Ian Poyitt, a relative of the L'Huillier family and a member of the Redcliffe City Council, who was the driving force behind the recognition of this great flight some 50 years later; Mr Ian Debenham, the curator of the transport section of the Powerhouse Museum, who facilitated the function at the museum; Mr Ken Matthews, the Secretary to the Department of Transport and Regional Services, who assisted and paid for the dinner; and Ms Julie Meskell, from my office, who did all the hard work in locating and getting together the guests for that dinner. I express, on behalf of the government of Australia and this parliament, my gratitude to those involved in that very significant flight 50 years ago. I record my congratulations to Mr L'Huillier and his colleagues and my admiration for their efforts and courage.

I seek leave to incorporate the transcript of the speeches given on the occasion of the function celebrating the 50th anniversary of the pioneering flight across the South Pacific to South America.

Leave granted.

The transcript read as follows—

Frigate Bird II Commemoration Dinner 13 March 2001

Power House Museum, Sydney

Hosted by Senator the Hon. Ian Macdonald Minister for Regional Services, Territories and Local Government

Curator Power House Museum

Mr Ian Debenham

Distinguished guests, ladies and gentlemen.

On behalf of the trustees of the Powerhouse Museum, I'd like to welcome you all tonight to this wonderful dinner that we have underneath Frigate Bird II in honour of Blue L'Huillier, the flight engineer on that famous flight made in 1951. And I don't have to bore you with the details of that very exciting flight because most of you have read PG Taylor's book "Frigate Bird". If you haven't, it's well worth the read. But one of the things that isn't covered in that story is the tale of how the aircraft came to be at the Powerhouse Museum, so if you will indulge me with a little bit of your time and patience, I'll just bring that story up to date for you.

After that famous flight in 1951, PG Taylor was very keen on establishing his Pacific Island leisure cruise airline and he wanted a rather luxurious aircraft. He was going for the top end of the market to have the tourists going out to all of these wonderful, pristine, South Pacific Islands, untouched by human hands and he looked at the Catalina, but the Catalina wasn't very appropriate. It was very much a spartan aeroplane. Ultimately, he settled on the Sandringham flying boat that he bought from BOAC and that became Frigate Bird III. That aircraft also exists, but it is currently in France at the Musee de l'Armee at Le Bourge in Paris. But he tried to sell Frigate Bird II and he had an ad done up for prospective buyers and my understanding is, and maybe this could be corrected by the Taylor family, that he had a potential buyer - it was flown down to Rose Bay in 1954 for some purpose, and I presume it was for the sale, which didn't happen and it was flown to Rathmines.

From that point on, it didn't really have a future. PG was interested in his current business of taking tourists around the islands and the poor old Frigate Bird languished and started to deteriorate. I've heard from one person who was stationed at Rathmines that one afternoon a truck rolled up with a couple of likely looking lads on board who said they came from such and such airline and they'd had approval to remove the engines and propellers; and RAAF needed no more authority than that, so the engines and propellers were removed. I heard from another fellow, he was do-

ing an officer training course at Rathmines just before it closed down, and he said that every cadet went on board Frigate Bird II and he said he remembers seeing the logbooks for the aircraft floating around in the bilges, which was pretty sad and I guess it gives you some sense of how that poor aircraft had deteriorated at that stage.

But it was still very much loved by PG Taylor, because when Rathmines closed down in 1956, rather than just desert the aircraft and leave it, he convinced the RAAF, who were barging hangars from Rathmines to Richmond, along the Hawkesbury, to barge Frigate Bird II down to Rose Bay, which they happily obliged. It went in the back of the Ansett Hangar in Rose Bay for a number of years. But ultimately, the welcome wore out. Ansett said, sorry you can't keep it here, so it was wheeled out into the hard stand and I've heard many a story from guys who were young lads in the late 1950's/early 1960's who reminisce about going on board the very dilapidated Frigate Bird II and souveniring a bit here and there or just sitting at the controls and making believe that they were flying off to far distant places. Finally the Department of Civil Aviation said that it had to depart the hard stand and I understand that PG Taylor at that stage was a little bit distraught and thought that the best fate for the aircraft was to be taken out to sea and given a burial that was afforded all good sailors.

Instead there was a friend of the Museum of Great Arts and Sciences, which is the predecessor of the Powerhouse, a fellow by the name of Ernie Crone, who was a world renowned aerophilatylist and a good friend of PG Taylor's and he said to him one day, look why don't you offer it to the trustees of the museum. Now the museum was just a dinky little building in the grounds of the Sydney Technical College, a very, very small place and certainly not a place big enough to take a Catalina Flying Boat. But such was the vision of the trustees of the museum in the mid 1960's that they agreed to accept this large and impressive aeroplane. They even paid out something like 300 pounds in back charges that were owed to the Department of Civil Aviation for the aircraft sitting on the hard stand. They appreciated way back then the particular significance of this aeroplane.

So the museum then got itself into gear and organised for the aircraft to come to the museum from Rose bay to our storage, which was basically the old tramshed – that's our office block and workshop adjacent to this building we have here. So what they did was they towed it through the streets of Sydney on its beeching gear and they got a flat tyre on King Street and you can't get a spare tyre for a Catalina, at any tyre place around, so they ended up getting one from Harold Thomas's Aviation Museum which was then out at Camden Airport. And Frigate Bird II duly arrived here.

To try and get it on display, because we had no hope in the little dinky building down the road, we lent it to Harold Thomas out at Camden and Harold assembled it and put it on display there, but finally Harold was given his marching orders, good old DCA, and Harold moved to his own property at Narellan but didn't have space for the Catalina, so we put it in storage at a storage location we have at Castle Hill. And there it sat until this Museum got the go ahead from the State Government and of course, the very first object that was selected to go in as a must, was the Catalina. And that is about the time that I joined the museum, so I was in on those very early discussions about getting the Catalina in and doing it up and making it look presentable. Over those years of association, which is now 21 years of association with the Catalina for me, I have had the privilege of meeting some of the crew, unfortunately not all of the crew, but I have had the pleasure of meeting Blue before and Angus Allison and the Taylor Family. It's all been a personal thrill for me.

So that kind of brings it up to date about the aircraft being here.

Minister for Regional Services Territories and Local Government

Senator the Hon Ian Macdonald

Thanks very much Ian Debenham, and thank you particularly for that fascinating account of how the Frigate Bird II got to be here and I suspect that's a story that not many of you here will be aware of. So it is particularly interesting to hear those later years of the very famous life of this particular aircraft.

I wanted tonight to start off by acknowledging some of the special guests. Of course, I guess Blue L'Huillier, is the most special guest and regrettably the only now surviving member of the crew that took part in that very famous flight. I also want to acknowledge Blue's family and friends; the family and friends and widow of Captain Sir Gordon Taylor; the friends and family of Captain Harry Purvis; Mr Angus Allison; and Mr Jack Percival.

I also wanted to make a special reference to the Consul General of Chile, Mr Jorge Canelas who has joined us on behalf of the Chilean Government. It is tremendous to have you here and complete the connection with Chile. And also a special welcome to the Secretary of my Department,

the Department of Transport and Regional Services, Mr Ken Matthews. He's very important because he is actually paying for tonight's function and that is always an important person to have in your midst. Thanks Ken to you and your staff for organising this.

It is very much an honour for me to be able to host this evening on the day that marks the 50th anniversary of the take off of Frigate Bird II on that historic flight from Australia to Chile.

As well as commemorating the flight, we are also here to acknowledge the contribution of five extraordinary men who undertook that historic flight: And they are as I have mentioned

- Captain Gordon Taylor (later Sir Gordon Taylor), one of the most celebrated aviators this country has ever produced, who led the flight;
- Captain Harry Purvis, his co-pilot, also a highly decorated wartime and civilian pilot;
- Angus Allison was the radio operator and bowman;
- Jack Percival, executive officer and official correspondent - taking time off as I understand from the Sydney Morning Herald at the time;
- And of course as I have mentioned, Eugene Dennis L'Huillier – but no one would know him as Eugene Dennis. I suspect it's just 'Blue' to all of his crewmen, people who've flown with him since that time, and before that time, and of course to his family and friends.

I am very pleased that we've been able to bring together the families of these special Australians who, 50 years ago today, created aviation history when they departed Sydney to survey the air route between Australia and South America. Thank you all very much for coming along this evening, especially to those of you who have travelled considerable distances to be here tonight.

I want to also particularly mention two people who have greatly assisted the organisation of tonight's special dinner. One of them is Councillor Ian Poyitt, who first raised this matter with me many months ago it is now and Ian kept ringing me about it until we were able to put the arrangements in place for tonight's function. So I am particularly indebted to Ian for making sure that we as a Nation have remembered on its 50th Anniversary, that very special flight. So thank you Ian. I also want to thank Mr Ian Debenham, who as I said earlier, did so much to help with this function and did a lot to locate representatives of the crew's family. We had some difficulty through the Department in trying to locate all of you to arrange the guest lists and thank you Ian for all the help that you gave us in making sure we had this very representative gathering here tonight. And Ian, can I also thank you for allowing us to be able to have this function here in the Powerhouse Museum, which has become home for this magnificent flying machine and to feel some of the aura, perhaps, of the men who flew it on that very important flight.

I expect that most of the people in this room are more familiar with the story of this historic flight than I am, and I am sure 'Blue' will have something to say shortly to share some special memories with us, but I would just like to briefly recount some of the details of which I am aware of from a recent reading of PG Taylor's Frigate Bird II.

On 13th March 50 years ago in 1951, five men set out from the Rose Bay flying base here in Sydney, to chart the air route between Australia and South America. This flight was sponsored by the Australian Federal Government of the day, the Menzies Government, which provided not only the money - although I understand that there wasn't a lot of that, but they also did supply this magnificent machine, the Catalina, and helped with the administrative matters associated with a flight from here across a number of territories to South America and the Chilean Republic. And I am told that things went smoothly, although from reading the book, I think I should say they went relatively smoothly on the way.

It was in fact the then Minister for Air, Mr (later Sir) Thomas White, who Captain Taylor wrote to in January 1950 in relation to his plans for the flight. Mr White was also present to farewell the crew on 13th March 1951 when he handed Captain Taylor letters for delivery to the President of the Chilean Republic. The flight was also carried the first 'air mail' from Australia to South America.

The dramatic trip to South America took them island hopping across the South Pacific, including stops in New Caledonia, Fiji, Samoa, the Cook Islands, Tahiti and, famously, Easter Island before arriving in Valparaiso, Chile, 13 days later.

I am told and I read that the crew received a rapturous welcome by the people of Chile and Captain Taylor received a very high decoration from the Chilean Government, which he accepted on behalf of the crew.

The return took them through another eventful stop at Easter Island, and eventually saw the plane and its crew arrive back in Sydney on 21st April 1951, to another large and jubilant recep-

tion, led by the then Prime Minister, Mr Robert Menzies.

It is very appropriate that we are able to commemorate the 50th anniversary of the undertaking of this flight in Australia's Centenary of Federation year, for it was an endeavour that exemplifies so much of what we like to call the Australian spirit.

Australians are pioneers, and in completing the Australia – South America flight, Australians had by then charted every ocean aviation route in the world, with the minor exception, I'm told, of the route across the Atlantic!

This particular journey also showed the willingness of Australians to fight on in the face of adversity! Attempting to take off in a storm at Easter Island, the Frigate Bird II snapped all three of its anchor lines and Captain Taylor was washed overboard. Blue tells me that at the time there were 36 feet waves and my judgement isn't all that good, but I suspect that 36 feet is practically up to where the aircraft is. Would that be right Ian? And so the waves at Easter Island they were encountering that night were that high. I found that part of the book the most spine tingling, and having done a little bit of fishing out in the open sea myself, I can just imagine (well I don't suppose I can really imagine) what it would be like in 36 foot waves in a craft like that. It's not even compact as an ordinary boat would be to go through the waves. It has a lot of space that I guess the waves would have loved to have grabbed onto it and slewed it around.

It's amazing that something that big, although it would have seemed small, in the ocean at the time could have sailed around as we know, sailed from one side of Easter Island around to the other side and then take off in what was said to be relatively calmer waters, although again I understand that it was very rough at the time. Just looking at the aircraft and imagining those seas we can only be in awe that it actually took off and then remained in one piece as it flew then from Easter Island to Chile.

Blue was telling me earlier that the Chilean Airforce did a marvellous job. Blue tells me that when the plane actually got to Chile, it was a wreck, barely able to keep in the air, but with the help of friends from the Chilean Airforce, they put it back together sufficiently to get it all the way back to Australia and to finish its life here in the Powerhouse Museum. The crew completed the journey from Easter Island to South America despite the ordeal of that take off, showing resilience above and beyond the call of duty.

They then returned back home via Easter Island and it must have been with some trepidation that they went back to Easter Island, but they did it and the crew came back to tell the tale.

Being able to rely upon one another as teammates and friends is another great Australian trait – and anyone who has read Captain Taylor's inspirational book on this journey knows that he chose his crew with very great care, and that they worked magnificently as a team against incredible odds. It should also be pointed out I guess that they worked for free! So thanks for that as well Blue. I hope you never come back and want the pay from those days. A great effort!

Australians will always offer our hand in friendship, and this flight was in large part an attempt to bridge the communications gap between two peoples who had thus far been kept apart by the tyranny of distance. From all accounts, the overwhelmingly friendly reception that the Frigate Bird II received on arrival in Chile was one that Captain Taylor and Blue and the rest of the crew could have only expected to receive in their own country. In his book, Captain Taylor described the very significant relationship for Australia, which existed in South America and Chile in particular at the time. So I think it is important at this stage in the proceedings tonight that I might pause – it's great to have the Consul-General to Chile with us and I would like to ask Mr Jorge Canelas to come to the podium now and say a few words on behalf of the Chilean Government about that historic flight 50 years ago. Would you welcome the Consul General

Consul General to Chile

Mr Jorges Canelas

Would you excuse me? Somebody from the staff called me a week ago and told me that some words were expected from me for this occasion - since my English is not very good, please excuse me. But, I don't know if you said four to five minutes or forty five minutes so I am prepared to speak for forty five minutes.

It is a very special honour for me to accept this invitation on behalf of my Government. I have been in contact with authorities in Chile and with the Ambassador in Canberra and for me it is a very special honour to be called upon to participate in this ceremony, which touches our minds as well as our souls. Because the remembrance of a piece of history both our countries share is very important. But perhaps more important still, is the fact that we are in the presence of some of those who took part in the groundbreaking flight of Frigate Bird II through the South Pacific.

50 years after that magnificent flight, we are still impressed by the courage, determination and perseverance of Frigate Bird II's crew.

Flying a Catalina in the early 50's was something quite different as flying a 747 nowadays. Frigate Bird II flight belongs to the time when romance and adventure were often more important than flying techniques to accomplish the pilot's goals. Computer assisted controls and satellite guidance weren't even in the mind of their inventors at the time. It was, certainly, a test of character and personal skills, human factors that do not seem to be as important in these days, and they may often be neglected. But we are fortunate enough today to have the Frigate Bird II's crew and their descendants to remind us of the real weight of values in the making of a legendary piece of aviation history.

When Captain Gordon Taylor and his crew started the flight, they not only opened a new air route through the South Pacific, they actually started a new era in international relations and broke grounds for the foundations of what we know now as several of the South Pacific Basin initiatives, an ongoing process which is still changing and renewing the balance of power in this vast region of the world.

1951 is a very special year in the history of Chilean aviation. In the first quarter of that year, two important landmarks were laid. In January 1951, only two months before the arrival of Frigate Bird II, another Catalina was taking off from La Serena, in continental Chile towards Easter Island, 2,047 miles west in the Pacific, where it landed after a flight of 19 hours and 20 minutes.

The aircraft was called the Manu Tara. In the language of the Easter Islanders it was the Bird of Luck. Its pilot was Captain Roberto Parrague, who Lady Taylor got to know, opened the route from South America towards Easter Island with a crew of eight. Two months after that, the arrival of this magnificent crew of this great flight of adventure of people with which we can only begin to know now after 50 years brought a confirmation of the hopes we had to reach through the Pacific Ocean towards this side of the world.

Thus Frigate Bird II and Manu Tara held a group of men who started from both sides of the Pacific Ocean, setting an example and leading the way for a revolution in communication, transport and tourism between Australia and South America. We are now taking profits from those two Catalinas and the fine men who formed their crew.

I want to convey a very special greeting, Mr L'Huillier or may I call you Blue, from the Government of Chile, and from the Chilean Airforce to Mr L'Huillier, Honorary Officer of the Chilean Airforce. At the arrival of the Frigate Bird II to continental Chile, the Chilean people greeted its crew with a warm welcome. Our presence today is a renewal of a long standing friendship, with the testimony of gratitude for your contribution to the significant ties between Australia and Chile, developed in the last 50 years.

Thank you very much

Senator Ian Macdonald:

Thank you very much Mr Canelas.

Ladies and gentlemen, I now want to make some presentations and invite Blue to say a few words. Our agenda was reasonably tight, but since I've met a number of people here earlier this evening I have decided that we might extend the evening a little bit and those of you who would like to say something – you'd be very welcome to come up and have a few words. I give you that warning now so that you can start preparing in your own mind as to what you might say. But we will proceed with the presentations. But please, those of you who have some part in the Frigate Bird, and/or that historic flight, please feel free to come and say something toward the end of this ceremony.

Although four of those five great men who flew in the Frigate Bird II have now passed away, I am pleased that we do have the one surviving crew member, 'Blue' L'Hullier, with us tonight to share his memories of that flight and of his fellow crew members and that very important time. The faith that Captain Taylor had in 'Blue' was reconfirmed by a story he relayed in the book, when on the return journey; the weather in Samoa had taken a turn for the worst. Captain Taylor was frantically trying to signal to the shore to get Blue returned to the plane, so that his expertise with the motors could be used to manoeuvre the plane out of danger. Blue turned up, all right, but not because he'd seen the signals asking him to come back, he'd noticed the bad weather and had headed out to help of his own accord. From all historical accounts of that particular flight, one can see the great faith that Captain Taylor had in the guy who was in charge of the things that kept the plane going forward. It is a great credit to you Blue, the way you kept the plane flying, the way you kept those motors turning. You are a truly great Australian, and it is with particularly great pleasure that I ask Blue to come up here and accept, on behalf of myself and the Government of the Commonwealth of Australia, a commemorative plaque to remember forever your part Blue in that very historic flight.

Blue - on behalf of the Government of Australia and on behalf of us all here today I want to present you with this commemorative plaque to recognise the very important part that you played in that historic flight from Sydney 50 years ago today. Congratulations.

Ladies and Gentlemen I'm going to ask Blue to say a few words, but before I do, perhaps I could just ask you all to charge your glasses and be upstanding and we might drink a toast to Blue and the departed members of that crew and in recognition of that very special flight of Frigate Bird II from Australia to South America which took off fifty years ago on this day.

To Blue L'Huillier, Frigate Bird II and Members of the Crew.

I'll ask Blue to say a few words, but Blue that few can go on as long as you like.

Blue L'Huillier:

Senator Ian Macdonald, Minister for Local Government and Territories, Mr Jorge Canelas, Consul General for Chile, Mr Ian Debenham, Powerhouse Museum, Councillor Ian Poyitt, Mr Ken Matthews, Secretary, Department of Transport and Regional Services, Lady Taylor, Dependants of my fellow crew members, my family members and friends, ladies and gentlemen.

I stand here tonight on the 50th Anniversary of our flight to and from Chile in Frigate Bird II, in the aircraft under which we now sit – fifty years is a lifetime. This aircraft was provided by the Australian Government and prior to our flight to Chile was fully refurbished by the RAAF at Rathmines – a very fine job they did too.

The pioneering flight we undertook was charged with incident and drama and in my opinion ranks as one of the unique aviation flights of the 20th Century.

The crew comprised of Sir Gordon Taylor, and Harry Purvis, pilots, Angus Allison, Radio Officer and Bowman, Jack Percival, Executive Officer and Official Correspondent and myself as flight engineer.

I think it best if I let the Captain, Sir Gordon Taylor tell you about his Crew in extracts from his book Frigate Bird II.

"Harry Purvis had never flown a flying boat, but I had such faith in his ability as a pilot that I never gave this thought after making my initial decision to invite him for the flight. I knew that it Harry was up front I could concentrate on the navigation whatever the flight conditions, and in any case I had made up my mind to do the water handling, take-offs, and landings myself. If anybody was to break the aeroplane in some bad situation it had better be me. So at the end of the climb, I left Harry up front, to get to know the Cat.

Each of the others, in his own way, needed to be thoroughly familiar with his own equipment. Blue, as well as being fundamentally reliable was an absolute wizard on the Catalina; but like me, he hadn't been in Cats since the war. It takes practice, familiarity, and the judgement of experience to get those certain engine starts, to keep the whole of the engineering system of an aircraft functioning as it should and to do it so that the Captain can regard his throttles and propeller controls as the taps to a source of power provided by the engineer, instead of connections to a series of problems for his solution.

Blue L'Huillier and Angus Allision had flown with me for more than two years as Flight Engineer and Radio Officer on the airlines, and I knew it was results that I would get, not worried looks and technical problems for Harry Purvis and myself.

From Angus, too, I wanted results. That was one reason why he was in the aeroplane. I knew that instead of a worried expression when I asked for something from the radio, I would get what I wanted, or an infallible reason, given to me with perfect diplomacy, of why I had asked for an impossibility. Angus, soon after take-off from Grafton, passed into his radio world.

Jack (Percival) was the outlet through which I had to reach the world, with news of the flight, which would have the maximum effect in promoting good relations between Australia and South America, and would lead to the earlier establishment of air communication between the continents. He too had to swim in the current of the flight so that he could feel it. He had to learn as much as possible of the aircraft and prepare his press messages with a good balance of news that would capture human interest, but without the "intrepid birdman" stuff that would make us professionally ridiculous and kill the good effect of the flight more effectively than no news at all. Jack had been with me as Official Correspondent on the first crossing of the Indian Ocean in 1939. I hadn't actually asked Jack Percival to undertake the domestic affairs of the aircraft, but I saw already, with some relief and satisfaction that he was sporting enough to do this for us. Long before Frigate Bird II reached her destination I was grateful to Jack for his unobtrusive and practical thoughts and actions for our physical needs.

Sir Gordon made it quite clear that without this experienced crew as his team, the mission would not have succeeded.

What are my memories of the flight which took us from Sydney to Grafton, Noumea, Suva, Samoa, Aitutaki, Tahiti, Mangareva, Easter Island, Valparaiso and return via Brisbane to Sydney – (there was little publicity that our return to Australia was via the Brisbane River prior to landing in Sydney).

When VHA-ASA Frigate Bird II's hull touched the water at Rose Bay, Sydney, the Skipper taxied in, Angus picked up the mooring, I cut the motors and it was all over. We were home to our wives and families and Australia and the longest stretch of water in the World, the South Pacific Ocean had been crossed – West to East and East to West by an Australian aircrew.

The President of Chile and his wife Senora Markman de Gonzales gave us a wonderful dinner at the Palace de la Moneda. All in all, the reception given to us by the people of Chile was outstanding and I cannot find words to describe it other than I distinctly remember they are a wonderful people.

On our return to Sydney, the Prime Minister, Sir Robert Menzies, welcomed us - Sir Gordon received deserved recognition, but the crew members hardly rated a mention.

It may be fifty years today but my memories of the flight are as clear as ever. Sometimes I think it was yesterday and the fine men I flew with are not here today in body, but they are with us in spirit.

It is my great pleasure that I accept this award and I would like to thank everyone for attending. I would particularly like to thank Senator Ian Macdonald and his Department for arranging this function and also my relative, Councillor Ian Poyitt, for his untiring efforts in ensuring the achievements as crew members on this epic flight have at last been recognised.

If anyone has any questions they would like me to answer, I am only too happy to do so.

Thank you all.

Senator Macdonald: What was the thing about the flight that most stands out in your memory?

Blue: In regard to the flight overall, possibly the treatment that we received by the Chilean people. It would be impossible to put it into words – unbelievable!

Councillor Ian Poyitt: Tell us how the matchbox saved your lives.

Blue: We would have never ever made Chile if it hadn't been for the thinking of Mr Jack Percival, our Foreign Correspondent. When we left Samoa and were heading for Aitutaki, suddenly the port motor oil gauge dropped and the cylinder head temperature started to climb a bit which indicated that it was an instrument problem - it meant that the oil wasn't getting to the motor directly. It was overheating and at any minute it could seize, so at that stage we took it easy. So we landed on this lagoon at Aitutaki. People wouldn't be familiar with it, but at the bottom of the motor there is a filter and there's a magnetic plug that is normally checked on inspections, and if the motor is packing up (bearings and that), all the metal will stick to the magnetic plug. We looked and there was no metal stuck to the plug so it wasn't the engine going to pieces. So instantly I thought that I knew what it was. It was the heart of the engine, which is officially called the compensating relief valve, which is an assembly that screws onto the motor; and as an engineer I had never seen inside one, it is the heart of the motor that controls all the oiling – the engine wouldn't run a minute without it. So I thought, well here's a great opportunity to become a heart surgeon which raised great horror among the airline thinking man. It shocked Harry Purvis, who said to me, you can't do that, but I said that I had always wanted to see inside one. Captain Taylor said it wasn't a flying decision, - it's up to Blue, it's an engineering decision and smiled as usual. So I said to Harry – as I take a part out I'll give it to you and you make sure you give it to me, when I reassemble it back, in the same order. Harry, being a very methodic man, he naturally kept them in good order but when we got the cylinder and they were all operating - great dismay – I thought all for nothing. But, if you ran your fingers over it and it had all rings around it, which I believed was caused by the aircraft standing for several years before we got it. I seemed a very simple thing to have a go at - these particular things are overhauled in special air-conditioned rooms which are dust-free – a laboratory job – that's how important the heart is. I'd have been quite happy to use sandpaper, steel or anything to work on it, if you're sitting on a tropical lagoon in the blazing sun, and the flight to South America's finished. I didn't have any sandpaper or steel, there was nothing at all on the aircraft and I thought and thought and at the selective moment, Jack Percival, being one of our, if not greatest, journalists but knew nothing about aeroplanes inside, mechanically or otherwise said "what's wrong with this"? He was a man who never had a cigarette out of his mouth - smoked the whole time –- and he handed me a box of red head matches that you strike and it hit me straight away that where you strike the match we could use as sandpaper and it was his very idea that if you slip the box that the matches are in out then you've got the shell and if stick your two fingers inside that you've got a

hard surface on both sides of the matchbox. So all I did was work on it round and round and round to try and get it smooth. I said to Jack "well one box of matches is not going to go very far is it". He said "I'll give you a hundred if you want – you ought to know that Blue, the way I smoke". As quick as I wore them out, Jack had another one ready to give to me. It eventually satisfied me when I thought we'd got all the rings cleaned - took a lot of work and a lot of elbow muscle to do it and then the big reassembly started. (tape ends).

Question: Could you just describe the landing in Chile and the scene that awaited you there?

Approximately an hour out of Chile, we suddenly looked and there were two Chilean airforce catalinas flying on each side of the wing tip to give us an escort in. We hit the coast at Valparaiso and did the turn over the city and then headed for Quinteros, a very beautiful Chilean air base, a combination of land and flying boats combined and that is where we landed. The President and his wife were flying elsewhere when the President received a message that we were about an hour away and he asked the Captain of the Presidential aircraft to turn around and go to Quinteros, because he personally wanted to welcome the Australians. When we landed and went ashore, the President and his wife arrived with their aircraft and officially welcomed us to Chile. We had the country at our feet – he instructed the airforce that they were to take us anywhere, anytime that we wanted to go, which gave me a wonderful time. After meeting the President and his wife, we then adjourned to the Casino ('the mess' to me) where there was a lot of celebrities to welcome us. We were swamped with invitation to visit all the various countries, including Washington and the UK.

There was another element that didn't believe in what we had done – accusations were made that we were all elite military flyers – in other words that risk was nothing to us and it was not a practical project at all to connect the two continents – that we were just lucky – it was one of those things and we'd got away with it. Before we left, everyone said 'no hope', because Easter Island is the world's most isolated spot and we had to land in the big sea as there was nowhere else. With all this that went on – that it was just a fluke, Captain Taylor said to us "if any one member of the crew does not want to go back, it's off – we're not going back". So, each man was asked individually – when I was asked, my remark was "it'll be easier – we know the way now".

Then we had to decide how we were going to come back – we had a wrecked aeroplane, and I mean really wrecked. There was major damage to the steel bolts that hold the wing on, because after our take off at Easter Island when we used the rockets, we noticed a strange noise – a certain creak or shiver that shouldn't be there, but we arrived in one piece. Probably the most tense moment was in the sailing procedure at Easter Island, which is all cliffs, but with his skill as a Yachtsman, he sailed it out on one motor and then we cut that motor and sailed back towards the Island and just before we got to the rocks, I would start the motor again and we'd slowly taxi out. We had to judge it between the swells, because if we hit the water too hard on the next swell, it would rip the motor out. But the plane was too heavy – it used to tip over off the swell and three quarters of the wing would go under the water and then she'd come up. The skipper said we had to jettison the juice, so I had to do what the skipper said, so I jettisoned the petrol and with the wind roaring in absolute gales it blew it all over the aircraft. We couldn't breathe, and even though the windows were shut, we were choking from the petrol, the plane was just doused in petrol. It was drifting backwards and I had to then start up the motor, but of course I thought when I pressed that – eternity – I thought it would just blow to bits, but she didn't. She started, and the only thing I can attribute that to is the velocity of the wind I think, it was that strong. We were then able to taxi and ride off the swell and crib a bit then. The skipper would get it out about a mile and a quarter, and then he would cut it and let it drift back and due to his skill he used his rudder to treat it like a sailing ship and he sailed it along the coast of Easter Island so that each time he gained so much distance and by doing this so many times in and out he got around to the opposite side of the Island to the Antarctic where all those big seas come from.

Question about the rocket assisted take offs:

We had four jado jet rockets, 600 pounds a thrust each one and they would double the power of an aeroplane exactly. The RAAF did a wonderful job of doing this aeroplane up and they mounted brackets on the side of the aeroplane where we could mount the jado rockets.

Senator Ian Macdonald:

I would also like to take this opportunity to present a commemorative plate to the family of each Frigate Bird II crew member present here this evening, as a token of the Commonwealth's appreciation for the efforts of the brave men who flew on that flight. As you of course all know the crew consisted of five men flying over to Chile and half way back but the secret of course is that when the flight landed back in Australia there was

a sixth crew person on board and I understand that was the start of a long romance well perhaps not a long romance but a long life time together. Lady Taylor was involved in the flight right from the beginning as I understand it, helping to organise it and to be what I guess today you would call the publicist for the flight as it went over.

I would like to ask Lady Taylor to come to the podium and to accept a small momento of the very significant part of course that Captain Taylor played in that and this momento will be something that can be passed on from generation to generation to record Captain Taylor's part in that flight and when Lady Taylor's here perhaps she might like to say a couple of words as well.

[Present Lady Taylor with Captain Taylor's plate.]

Lady Taylor:

I would like to thank the crew members, Blue is the only one left, he did a great job as we all did and I would like to thank the Chilean people. A man called (inaudible) - a marvellous Chilean. He organised a great deal in Chile - and the Chilean Airforce. They were all wonderful. One has to remember that today the world is very small.

In those days to get from Sydney to South America was a long haul and you were talking about going from New Caledonia to Fiji to the Islands right through to Aitutaki into Tahiti down to Mangareva; now that's a very long haul even today and then to Easter Island on the open ocean. No lagoons, open oceans and swells. And when Blue was talking about the jado rocket - Tommy White was a great Minister for Air who helped in this flight a tremendous amount - he recommended the jado rocket and it was at the very last they got the jado rockets from the Air Force. Now those jado rockets saved the whole flight because we got on the ocean at Easter Island. It's the same as if you were sitting off Sydney and you're doing a race from Sydney up to Pittwater. Open ocean, great swells coming in. And it was with a remarkable effort that Harry Purvis and Blue, Harry was a first officer Engineer and Blue looked after those engines all the way across the ocean to South America and back home again to Australia safely. They bought me back from Tahiti.

Thank you very much for all you have done tonight because my late husband was not only a man going to South America, he did some remarkable things. He was born in 1896 he flew in the first world war, he flew in the second world war, he did the first crossing of the Indian Ocean, the first crossing of the ocean from Valparaiso through the Pittaman Island to Australia in the second world war, he traced the line across to Hawaii down to Australia which would be broken by the Japanese. His last great flight was with the crew of Frigate Bird II and Blue it's wonderful that you're alive and to hear me tonight thank you for being here. And thank all of you and thank you very much on behalf of my entire family and all of you who have been interested and listened with great love and admiration for Blue. I am so sorry that so many of the other crew are not here, but we were all in it together weren't we? and we must be very proud of us aren't we?

Thank you very much for having me.

Senator Ian Macdonald:

If I might also ask Mrs Patricia Allison to the stage. As you'll all know, Pat's husband Angus passed away just last year and actually when Ian Poyitt first raised this me, Angus was still alive and we'd hoped that Angus and Blue would be here together to celebrate this 50th anniversary.

[Present Mrs Allison with Angus Allison's plate.]

(No speech)

On behalf of the family of Captain Harry Purvis, I am going to ask Mrs Robyn Hansen to join me. Mrs Hansen is the daughter of Captain Harry Purvis. Unfortunately Captain Purvis's widow was unable to be with us tonight, but we are so pleased to have so many representatives of the family present.

[Present Mrs Hansen with Captain Purvis's plate.]

(No speech)

And finally, if I could ask Mr Harvey Percival to come forward. Mr Percival is the nephew of Jack Percival and he is going to accept this momento on behalf of Jack Percival's family.

(No speech)

I would like to thank all of you once again for coming, and please enjoy the rest of the evening. But there are a couple of people here who did have some involvement and I am going to put a stop watch on this for two or three minutes if there are some people who would like to say a few words, even if you really wouldn't like to say a few words but could be prevailed upon. I am going to call on Councillor Ian Poyitt at some stage very shortly. Before he starts is there anyone else who would like to have a couple of words.

Mrs Michelle Harrington

Dignitaries, Ladies and Gentlemen

I would like to introduce myself as Mrs Michelle Harrington and I am Mr Blue L'Huillier's only granddaughter. This evening has been almost as emotional as my own wedding day, so this is a

very, very special occasion for me and my family. And as I was sitting here listening to my Grandfather speak this evening, I was thinking back to when I was in Grade seven at school. Our teacher gave us a week to prepare a small talk on a famous Australian, and of course there is no-one, I believe, any more famous than my own Grandfather, so that is the person I wrote my speech on. We were sitting in the motel room last night looking through the book on the Frigate Bird II and here in the centre pages was my speech that I had written in Grade 7 at School. The sad thing about that speech was that nobody believed me; nobody actually believed that a person living in a small town could have done such a great feat as what my Grandfather did. It took some convincing but eventually I did get a VHA which means a very high achievement for my speech and I basically would just like to thank the family of the crew - it is just a great pleasure to be in the same room as Lady Taylor, as the other crew members wives and families, and of people of such great importance as my very own Grandfather.

On behalf of my whole family, Corporal Harrington, who couldn't be here tonight unfortunately, my family, my daughter and friends I would like to thank you especially Ian Poyitt for organising the evening, it has been a great pleasure to be here. I have never been so proud of anyone in my whole life as I have tonight of my Grandfather. Give him another round of applause. Thank you.

Mr Pat Adams

Thank you. First of all thank you very much from my wife Dorothy and myself for your kind invitation this evening and to the Consul and other distinguished guests. I would just to mention my association with Blue, it goes back to about 1948 I think and I arrived at Rose Bay and had many years as a wireless operator and I was a pretty green wireless operator at Rose Bay and every time one of the Captains came in to make out his flight plan I use to annoy him by telling him I had a commercial licence and that I was interested in Aviation and I think it got to them that much that Captain Munkin came in to make out his flight plan one day and said listen, if you can get an engineering exam on the Sutherland, we are doing a test flight every second day because there is always something going wrong, you can come and fly it and I'll endorse you. Between doing my wireless operating and a few of the test flights I don't think the people here would of liked to have been on, however, I finished getting up getting an endorsement and the engineering I had to do was helped by Blue and his mates because I had to get over Trans Oceanic Airways, if anybody remembers that, and get the required Knowledge. It gave me the opportunity to fly with Sir Gordon Taylor and another gentlemen which you may have read about Jimmy Broadbent and that put the training of my career in very good stead. In 1950 I joined Ansett and spent nearly 33 years with them from the DC3 up to the Jets and without that basic help from people like Blue and Sir Gordon Taylor and Jim Broadbent and everybody else connected with the industry in those days I would of never of had such a successful career.

Thank you Ladies and Gentlemen.

Councillor Ian Poyitt

Thank you Senator Macdonald, Mr Jorge Canelas, distinguished guests and ladies and gentlemen. It's been one project I have enjoyed and in particular to see everybody here tonight and to know the crew are here in spirit of this great aeroplane and this great flight is really moving. I won't say very much. There has been enough speeches, except to ask you to raise your glasses and if Mr Jorge Canelas will bear with me there is a speech that Sir Gordon wrote down in his book which I will try and pronounce in Spanish, which I will then translate. Salute, health, love and money and time to spend them.

Thank you

Mr Harry Jackson:

I was there when Blue, PG and the crew came back. I am very honoured to be here tonight. I am sorry but I should be saying thank you Minister and Ladies, honoured guests, gentlemen.

I first met Blue in 1940 I am talking about the man - what a young boy he was. He came down from Biloela - he was knocked back because of his age from joining the RAAF in Queensland so he came down to Sydney and joined the RAAF here. We travelled together in the truck from Sydney to Richmond and as we drove into the camp at Richmond they yelled out "You'll be sorry" you gentlemen must remember that saying. Blue was my mother's favourite second son and Blue and I served in the RAAF together. After the war I can remember Blue being on the flying boats and flying from Rose Bay to Grafton and to Lord Howe Island and I would swim the Clarence river and meet Blue, PG and the crew over at the hotel on the opposite side on North Grafton and drink with them before they flew back to Rose Bay. My association with Blue has been from that day in 1940, we have been good mates and I know his son, we use to baby-sit his son. Blue is a great man and was a great young man. So if you have anything left in your glasses, drink to Blue again. OK Blue – good luck mate.

Michael L'Hullier:

This is a special night for my father and I'd like to thank Ian Poyitt and Senator Ian Macdonald for all their contribution to it. Without these people and their assistance for this night it mightn't have occurred. And it's a very special night to commemorate the flight of Frigate Bird II and it's very special for my father as well and also to the actual people who flew Frigate Bird II. I'm not going to say too much at all – I'm not really good at speeches but I'd just like to thank everybody for coming and I want to meet everybody that's associated with Frigate Bird II, everybody here tonight and I wish everybody a safe journey home.

Thank you all.

Parliamentary Exchange Program: ACAP

Senator BUCKLAND (South Australia) (7.04 p.m.)—I want to put on the record events of last week when I took part in the ACAP program, which is part of the parliamentary exchange program with the military. Can I say right at the very beginning that it proved one very vital thing to me, and that is that during the first day's work experience I found that I was no longer as nimble as I was 17 or 18 years ago when I was working on the blast furnace at Whyalla. Apart from that, this program is of real advantage to parliamentarians for the valuable insight it gives into life in the military. I had the very great honour indeed of working with the Army's 17th Construction Squadron during that week. I put on record too the pleasure I had in having with me Mrs Danna Vale, the member for Hughes in the other place. It was good to see that she too suffered some of the difficulties of a working life outside of parliament. If the cameras had been there—and I trust they were not—Mrs Vale would have been a picture to behold, such as I was when I was climbing the water tower building, when she was mounting the water tanker that she was to travel in. That would have been something to see, but I do not think we have photographs.

Senator Hutchins—A wide load?

Senator BUCKLAND—I have some difficulties close to me, Mr Acting Deputy President Chapman. I will try to ignore them. One thing that came through very clearly is that 17 Construction Squadron, which was assisted to some extent by 21 Construction Squadron, were doing a very vital exercise and contributing greatly to the Australian community. It was a two way thing: they were working with ATSIC and the Department of Health and Aged Care in providing facilities for remote Aboriginal communities in the Northern Territory. It was wonderful to see these people working without complaint, despite the run-down and difficult circumstances in which they had to operate. I was quite amazed that people were prepared to continue the tasks, unquestioningly, with the few pieces of equipment that they had. I think the construction squadrons of our Australian Army are the hidden heroes, if you like, of what it is all about. They are not the pointy end or sexy end of the military; they are the hardworking backroom people who are providing essential services.

The squadron were constructing houses for the Aboriginal communities of Yarralin, Lingarra and Mialuni, which were designed by the Aboriginal community, through ATSIC, and were providing exactly what was required. They were upgrading and extending an airstrip at Mialuni, providing care centres, and a water service to the community at Yarralin. The water tower was particularly important to me and a real tribute to the ingenuity of the military. Despite not having a crane—I was a part of this and know what they were doing—they lifted the steel structure into place by hand. We called in the aid of a forklift for the heaviest part of the structure but it did not quite reach as high as we needed. As a result, we had to manually put those parts into place. It was done without compromising safety, which was the first thing I was looking for. If we are going to do it this way, how do we do it safely? I was impressed with the methods that were used.

The conditions were particularly harsh. We lived in tents. I do not think there is anything magic about that—quite a few of us go camping with our families and enjoy it—but this was living in the raw. The conditions were particularly difficult in that they were dirty. There was no flooring in the tents. It was extremely cold during the night—as cold as it gets in Canberra—and hot during the day. The Army personnel were quite con-

scious of my not being used to those conditions. It was nice to see one young private come up to me at one stage to ensure that I had been drinking enough water to avoid heat stress. I thought that was an indication of how dedicated and mindful these people are of those around them. The roads on which the Army were travelling—we travelled hundreds of kilometres on the outback roads—were something to behold, many of which you would probably not declare to be official roadways or tracks. They were more like bullock tracks that had been put down by our early drovers.

A report will be going through to Lieutenant General Cosgrove—I am meeting him later this week—on the events of that week. The one thing that came through was that the soldiers were pleased they were working without rifles on their backs, which is what they had to do when they were in East Timor. They were also able to mix quite freely with the local communities. I think that was a wonderful thing. One of the majors who was looking after the airstrip job at Mialuni was living in the community so that there would be a better rapport between the local people and the military. I had the great pleasure of presenting two of the community schools with footballs, kindly donated by probably the most successful AFL football club, Port Power. I would not like to plug any club, but they did donate those balls. It was a real pleasure to see the joy the children got out of those footballs and how the committee and the military personnel and the children mixed in for a game of football. The rules were somewhat bent—I think to accommodate my lack of skill.

It did not seem to matter one bit whether you were talking to, or mixing with, the colonel who paid the visit, the major in charge of the operation or the newest of the privates: they all had something to do. If you had seen the way the people in the mechanical workshops had got in and done the job, I think you would have been surprised. There were no sealed floors, just dirt floors. With the constraints the military personnel had, they did not have time to put tarpaulins down to sit on. They sat in the dirt and did the job. I have the greatest respect for this group of people.

I have not done justice to the trip. I hope to do that in my report. I will finish by saying that the one thing that I got to do out of this exercise was to meet Lieutenant General Cosgrove. I can understand now why that man leads our army. He is a thoroughly military person, he is a gentleman and he is a person who inspires the troops under him. I could not do justice to this exercise in the time I had tonight. I have relayed some of it, but I will certainly do justice to it in the future.

Member for Lindsay

Senator HUTCHINS (New South Wales) (7.15 p.m.)—I rise to speak on some of the things the Hon. Jackie Kelly has been up to in her electorate of Lindsay since the last time the parliament sat. Most senators would be aware of the numerous adjournment speeches I have made on this topic since I was elected to the Senate in 1998. My intense interest in Miss Kelly's activities stems partly from the fact that I actually live near her electorate of Lindsay and because I feel that there are few members of parliament who have boasted so much about what they have supposedly done for their electorate and then delivered so little.

Partly through my efforts in exposing the honourable member in this chamber, the people of Lindsay are starting to revise their view of Miss Kelly. They are only too well aware that it has now been 1,134 long days since Miss Kelly has spoken about her electorate in this parliament. They are also aware of the sorts of allegations that continue to go unanswered about Miss Kelly's role in some questionable enrolment practices undertaken by her staff prior to the last federal election. More recently, in an article in one of the local newspapers in the Penrith area—the *Western Weekender*—Miss Kelly was exposed once again as the sort of MP who talks big but delivers little.

In the last few months, in order to try and sling a bit of mud in the direction of her local Labor opponent for the seat, the Mayor of Penrith City Council, Miss Kelly has been making a lot of noise about the Department

of Defence owned north Penrith Army land. Initially, when I first read in my local paper a few weeks ago comments from Miss Kelly that she believed the site should be developed into a local employment park, I was amazed that she had entered the debate so late. Through my work on the Senate Foreign Affairs, Defence and Trade References Committee inquiry into the disposal of defence properties, I have been aware that the Penrith council and the Department of Defence have been undertaking a planning process for this site for quite sometime.

Planning began way back in 1990 when the Department of Defence advised Penrith council of its intention to dispose of the approximately 50-hectare site. In 1996, when Miss Kelly was elected to the federal parliament as the member for Lindsay, the council resolved to start drafting zoning plans for the site. These plans were developed throughout 1997 and 1998, with several community consultation meetings being held. When the draft plan was completed in 1999, council exhibited it in local papers and notified all local residents by mail. The draft plan for the site is for land use that will create additional yet reasonable housing development on the site, a small commercial area, open space community facilities and an employment precinct. Community meetings were again held to gauge the community's attitude on council's draft plans and there were no objections raised.

Finally, in December last year, the Minister for Defence gazetted the plan, bringing on the next phase of the process—that is, the preparation of a detailed master plan. Then, after the draft plan had been accepted by the department, the council and the community, in waltzed the member for Lindsay into the debate, trying to turn this up 'til now non-partisan issue into one of political point scoring. The planning process had been going on for over 10 years. Council's and the department's plans had been out there for nearly the entire time that Miss Kelly had been the member for Lindsay. As I have already stated, there were several community consultation meetings held by the council and not once did Miss Kelly raise any objection to council's plans for the site. But conveniently, in the lead-up to the federal election, she comes out from whatever rock she has been hiding under for the past three years and starts making a great deal of noise about the north Penrith defence site.

I am sure that whatever suggestions Miss Kelly has—and, to be quite honest, behind all the rhetoric and nonsense she has been saying about Penrith council, I am not entirely sure what they are—Penrith council and the Department of Defence would have been more than happy to listen to her ideas throughout the 11 years that plans for this site were being developed. But, like so many other things in the Lindsay electorate, Miss Kelly has missed the boat. She has left her run too late. I understand that in a recent media statement Miss Kelly claimed that if Penrith council had shown 'some willingness' she could convince Defence to change their plans. On 10 July, Penrith council received a letter from the director of the corporate services and infrastructure group of the Department of Defence, Mr Bernard Blackley, which effectively endorsed the position of the council and the department and said that Defence 'does not support change to the site planning at this late stage'. So there you have it, from the relevant bureaucrat himself, Miss Kelly being rolled by the Department of Defence.

Those of us who have contact with the Department of Defence, such as me through my involvement in committees, will know Mr Blackley to be a well-respected and hardworking bureaucrat within the department. As the director of the corporate services and infrastructure group, he is also one whose opinions and determinations hold considerable sway over matters like the development of the north Penrith Army land. That is why I was again shocked at the comments I read from Miss Kelly in last week's edition of the *Western Weekender*. Miss Kelly responded to Mr Blackley's letter to council by calling Mr Blackley, and again I quote, 'a minor bureaucrat'.

What I also found astounding in the same article was Miss Kelly's ongoing partisan approach to local issues in her electorate. Miss Kelly, I am informed, has been repeatedly invited to address Penrith council about

her alternative suggestions for development on the north Penrith Army land site. So far she has refused to address the council and in this article, which I have already quoted from, she stated that she would only be corresponding with independent and Liberal councillors.

As a local resident, I know that the Penrith local government area is a great place to live. But, like all areas, it requires ongoing partnerships between all levels of government to see it develop in the best possible way. Through these and other events, I am convinced that Miss Kelly's only goal and only aim is to keep her position as the member for Lindsay. She has no concern whatsoever for the needs of her electorate and has no intention at all to work with local and state governments to see it grow into an even better place to live. The member for Lindsay will stoop to whatever depths she has to in order to sling a bit of mud at her opponents so she can hold onto her position. I am glad to say that the people of Lindsay are starting to see through this and I am confident that, by the end of this year, they are going to elect someone who will actually work for their community and fight for the things that matter to them.

Christmas Island: Rocket Launch Facility

Senator LIGHTFOOT (Western Australia) (7.22 p.m.)—I want to speak tonight on a multibillion dollar project that is about to be launched, literally, in the Indian Ocean, not far from the coast of Western Australia. I speak particularly of Christmas Island and the proposal to launch from the south-eastern part of the island, state-of-the-art rockets. This was largely brought about, strange as it may sound—why should a company pick to produce a multimillion dollar industry on a small, isolated island 360 kilometres south of the Indonesian island of Java?—during the nineties, when there was a casino and resort built on the island. I understand the cost was in excess of $40 million and it was built and opened in 1993. It was a five-star, world-class casino resort. However, by 1998, after contributing immensely to the Christmas Island economy, it closed, for one reason or another. The casino resort was subsequently bought by tender process by people who later became associated with the Asia Pacific Space Centre Pty Ltd and they paid, I understand—and this is not confidential—about $6 million for the $40-odd million facilities that had been built there.

Christmas Island, of course, is an Australian territory. It is located in the Indian Ocean, as I said, and Jakarta in Indonesia is its closest major city. It is about 2,650 kilometres north-west of Perth, Western Australia. The local government there chooses to have the Western Australian system of local authenticity, so we have quite a close affinity with the island and its people, although by some strange quirk of the federal Electoral Act it votes in the Northern Territory.

The Christmas Island people have suffered quite extensively. Some invested during the nineties when the casino was up and running. Businessmen have not exactly flocked to the island, but certainly a significant amount of money has been spent on upgrading those facilities for tourism and, at this stage, the island is in reasonably serious condition with respect to its growth prospects. It is a most magnificent island. In spite of the fact—some people would say because of the fact—that it is a unionised island with respect to its work force, the people on it nonetheless are quite extraordinary people, with faith and a great attitude towards expansion of the island.

This project came out of the blue, like so much of that which rises from the ashes like the phoenix did. It is a multibillion dollar project and it has been estimated that in the first 10 years it will be worth about $2.5 billion, both to the Christmas Island economy and to the Australian economy generally, with a significant amount of money—in the millions of dollars—being divested from the space research people to universities for space research at a tertiary level. There is of course great benefit to small business—fishing and diving charters, supermarkets, cafes and restaurants, accommodation and the array of specialty shops that are there. The international five-star resort, as I understand, will be used primarily—at least in the first stage—for the 400-odd people that will be required to establish the space centre. Later, as this expands to over 500 people having permanent jobs on the island,

permanent jobs on the island, the facility will be used for permanent accommodation. I understand that the federal government is currently the owner of the casino licence, as a result of the failure of the resort, and I am unsure at this stage, even as chairman of the Joint Standing Committee on the National Capital and External Territories, of which Christmas Island is a part, whether that licence will go back to the company that proposes to undertake the space research and that has in fact bought the facilities there.

The strategic investments in the island will not only be as a result of the company establishing satellite space research. For instance, the island suffers, as do the other island territories of Norfolk and Cocos (Keeling), from not having sufficient or regular aircraft services. This space program will greatly meet the propensity that the island has—and it has a magnificent airstrip—to attract regular, perhaps daily, flights from both Indonesia and from Australia. The island's infrastructure includes not just the airport, which is capable of taking very heavy aircraft—and, strategically, I think that is an excellent facility—but a seaport with both bulk and container handling capabilities. It has a very modern hospital, opened only a couple of years ago, with excellent staff. It has primary and high schools, taking students up to and including year 10. It has a high standard of recreation facilities that are currently being used and dominated by illegal immigrants to Australian waters. It also has a very picturesque golf course with magnificent views, a swimming pool and a football oval, a comprehensive library and other community halls.

Those people listening to me tonight will know that it is much cheaper to get a space vehicle into orbit from the equator than from further south or north of the equator. I believe that APSC, the company that proposes to operate the rocket research facility, is cognisant of its duty to Australians to ensure that any facility that is built on the island will not despoil it. I might say that the facility is going to be built on about eight hectares of land, partially on a depleted phosphate mining mineral claim, so that part is already despoiled. I have inspected the area and it does not appear that there will be any further despoliation of that particular area with respect to the rocket launching facilities. APSC are cognisant also of the duty they have to ensure that any species on the island not only survives but is in fact enhanced as a result of their being there. I understand that Minister Nick Minchin has had a willing undertaking from APSC that they will devote an appropriate amount of time and money to ensuring that both flora and fauna on the island are not just protected but enhanced.

I will finish by saying that Christmas Island is an Australian territory. It was first settled by Europeans in 1888, predominantly for the recovery of phosphate on the island. It is barely the top of a submarine mountain peak that rises several hundred metres from the ocean floor. It is quite unique—like all Australian territories. We welcome the investment from overseas, and we welcome the use of the Soyuz rockets that are going to be used as the propulsion for these particular types of payloads. Altogether, I think that the multibillion dollar exercise that this will bring to Australia is well worthy of the cause.

Senate adjourned at 7.33 p.m.

DOCUMENTS

Tabling

The following government documents were tabled:

Agriculture and Resource Management Council of Australia and New Zealand—Record and resolutions—

19th meeting, Wellington, 9 March 2001.

20th (special) meeting, Melbourne, 9 May 2001.

Australasian Police Ministers' Council—Administration and activities of the National Common Police Services—Report for 1999-2000.

Australian River Co. Limited (formerly ANL Limited)—Report for 1 December 1999 to 30 November 2000.

Horticultural Research and Development Corporation—Report for the period July 2000-January 2001 (Final report).

Indigenous Land Corporation—National Indigenous land strategy 2001-2006.

National Environment Protection Council.—Review of the National Environment Protection Council Acts (Commonwealth, State and Territory)—Report by Donald F McMichael and response

Treaties—

Bilateral—

Text, together with national interest analysis—

Agreement between Australia and Spain on Social Security.

Agreement between Australia and the Argentine Republic concerning Cooperation in Peaceful Uses of Nuclear Energy.

Agreement on Social Security between the Government of Australia and the Government of Canada, done at Ottawa on 26 July 2001.

Exchange of Notes Constituting an Agreement between the Government of Australia and the Government of the United States of America to amend the Agreement between the Government of Australia and the Government of the United States of America concerning Cooperation in Defence Logistic Support done at Sydney on 4 November 1989.

Protocol to the Agreement between Australia and the Republic of Austria on Social Security, done at Vienna on 26 June 2001.

Text, together with national interest analysis and regulation impact statement—Agreement between the Government of Australia and the Government of the Kingdom of the Netherlands on Social Security, done at The Hague on 2 July 2001.

Multilateral—Text, together with national interest analyses—Amendments to the Convention on Conservation of Nature in the South Pacific adopted by consensus at the Fifth Meeting of the Contracting Parties held in Guam on 9 October 2000

Tabling

The following documents were tabled by the Clerk:

Australian Bureau of Statistics Act—Proposal No. 9 of 2001.

Corporations Act 1989—Accounting Standard—

AASB 1027—Earnings per Share.

AASB 1028—Employee Benefits.

AASB 1041—Revaluation of Non-Current Assets.

Fisheries Management Act—Northern Prawn Fishery Management Plan 1995—Direction No. NPFD 55.

Migration Act—Direction under section 499—Direction No. 20.

National Health Act—Determinations under Schedule 1—PHI 13/2001-PHI 15/2001.

Parliamentary Entitlements Act—Parliamentary Entitlements Regulations—Advice under paragraph 18(a), dated 10 July 2001.

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Department of Transport and Regional Services: Programs and Grants to the Eden-Monaro Electorate

(Question Nos. 3064 and 3073)

Senator Mackay asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 5 October 2000; and the Minister for Regional Services, Territories and Local Government, upon notice, on 5 October 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the electorate of Eden-Monaro.

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

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

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

(1) Rural Communities Program and Rural Plan

Local Government Financial Assistance Grants

Rural Transaction Centres Programme

Local Government Development Programme

Local Government Incentive Programme

Eden Region Adjustment Package

Regional Development Programme

The Federal Road Safety Black Spot Program

(2) Rural Communities Programme and Rural Plan

1996-1997 Not applicable. Programme's commenced in 1998-99

1997-1998 Not applicable. Programme's commenced in 1998-99

1998-1999 Rural Communities programme = $82,333.

Rural Plan = $221,100.

Local Government Financial Assistance Grants

Local Government Financial Assistance Grants to the electorate of Eden-Monaro for 1996-1997, 1997-1998 and 1998-1999.

Council Name	Financial Year	General Purpose Funding ($)	Roads Funding ($)	Total ($)
Bega Valley Shire	1996-1997	2,219,200	945,056	3,164,256
	1997-1998	2,311,184	915,768	3,226,952
	1998-1999	2,382,344	942,084	3,324,428
Bombala	1996-1997	677,852	438,560	1,116,412
	1997-1998	667,892	365,024	1,032,916
	1998-1999	660,760	374,524	1,035,284
Cooma-Monaro Shire	1996-1997	1,447,096	575,844	2,022,940
	1997-1998	1,425,384	555,440	1,980,824
	1998-1999	1,453,760	537,864	1,991,624

Council Name	Financial Year	General Purpose Funding ($)	Roads Funding ($)	Total ($)
Eurobodalla Shire	1996-1997	2,968,644	767,416	3,736,060
	1997-1998	2,975,964	763,164	3,739,128
	1998-1999	3,061,300	792,376	3,853,676
Queanbeyan City	1996-1997	1,348,444	342,240	1,690,684
	1997-1998	1,328,636	345,368	1,674,004
	1998-1999	1,356,172	358,420	1,714,592
Snowy River Shire	1996-1997	1,078,112	494,840	1,572,952
	1997-1998	1,110,144	431,964	1,542,108
	1998-1999	1,137,128	458,164	1,595,292
Tallaganda Shire	1996-1997	593,072	348,600	941,672
	1997-1998	588,528	346,552	935,080
	1998-1999	580,200	321,408	901,608
Yarrowlumla Shire p	1996-1997	766,436	334,544	1,100,980
	1997-1998	742,744	333,916	1,076,660
	1998-1999	716,692	364,128	1,080,820

p - Shire boundary falls in more than one electorate.

Rural Transaction Centres Programme

Not Applicable. This Programme commenced in 1999.

Local Government Development Programme (LGDP)

Yarrowlumla Council in partnership with Bega Valley, Bombala, Boorowa, Cooma-Monaro, Crookwell, Eurobodalla, Goulburn, Gunning, Harden, Mulwaree, Queanbeyan, Snowy River, Tallaganda, Tumut, Yass, Young Shires and the ACT region.

Project Title: Regional State of the Environment Reporting.

The project aimed to establish model systems for State of Environment (SOE) reporting, and clear procedures for the assessment and management of Ecologically Sustainable Development, linked to SOE reporting, at both regional and local levels. The project had the combined aim of assisting government bodies to improve their reporting, planning and management. The project was based in the electorate of Eden-Monaro but also extended to the electorates of Hume and Farrer.

96/97	97/98	98/99	Total
$-	$-	$100,000	$100,000

Note: this funding was approved in 1998-99 and disseminated in 1999/00 ($90,000) and 2000-01($10,000)

National Parks and Wildlife Service of NSW.

Project Title: Contribution to the Thredbo Community Hall.

The project funding contributed towards the construction of a community hall in Thredbo in the wake of the land slide disaster.

96/97	97/98	98/99	Total
$-	$100,000	$-	$100,000

Shoalhaven City Council in partnership with Wollongong, Kiama, Shellharbout, Eurobodalla and Bega Valley Shires.

Project Title: Integrated South Coast Transport Strategy.

The project aimed to develop an integrated and strategic transport plan for transport services in the South Coast region of NSW over the next 20 years that will provide the backbone for continuing economic development in the region. The project looks at improving all forms of transport and involves all South Coast councils. The project was based in the electorate of Eden-Monaro but extended to the electorate of Cunningham, Throsby and Gilmore.

96/97	97/98	98/99	Total
$-	$-	$72,980	$72,980

Local Government Incentive Programme

1996-1997 Not applicable. Programme commenced in 1999-2000.

1997-1998 Not applicable. Programme commenced in 1999-2000.

1998-1999 Not applicable. Programme commenced in 1999-2000.

Eden Region Adjustment Package

The Eden Region Adjustment Package of $3.6m supplements private sector investment in employment-generating projects in the Eden region. The Package is the joint responsibility of Senator the Hon Ian Macdonald, Minister for Regional Services, Territories and Local Government and the Hon Wilson Tuckey MP, Minister for Forestry and Conservation. The Package is primarily administered by the Department of Agriculture, Fisheries and Forestry Australia with advice provided by the Department of Transport and Regional Services. No funding was provided during the financial years 1996-1997, 1997-1998 and 1998-1999.

Regional Development Programme

Australian Capital Region Development Council

The electorate of Eden-Monaro forms only part of the area covered by the Australian Capital Region Development Council (ACRDC). ACRDC covers the Australian Capital Territory and other local government shires surrounding the ACT. Consequently, only a proportion of this funding could be attributed to the electorate of Eden-Monaro.

Structures

1996-1997 $200,900.

1997-1998 $86,100.

1998-1999 Nil.

South Regional Information Infrastructure Project

Bega Telecottage

1996-1997 $53,000.

1997-1998 $29,686.

1998-1999 Nil.

The Federal Road Safety Black Spot Program

1996-1997 $200,000.

1997-1998 $501,000.

1998-1999 $181,000.

Note: the above figures are approved funds.

(3) Rural Communities Program and Rural Plan

Rural Communities Program = $111,680.

Rural Plan = $220,220.

Local Government Financial Assistance Grants

Council Name	General Purpose Funding ($)	Roads Funding ($)	Total ($)
Bega Valley Shire	2,508,196	971,984	3,480,180

Council Name	General Purpose Funding ($)	Roads Funding ($)	Total ($)
Bombala	667,016	386,068	1,053,084
Cooma-Monaro Shire	1,431,664	552,804	1,984,468
Eurobodalla Shire	3,193,916	818,152	4,012,068
Queanbeyan City	1,381,168	369,768	1,750,936
Snowy River Shire	1,162,224	459,504	1,621,728
Tallaganda Shire	587,668	349,160	$936,828
Yarrowlumla Shire p	690,976	414,440	1,105,416

p - Shire boundary falls in more than one electorate.

Rural Transaction Centres Programme

Town	Type of Project	Amount $
Bermagui	Business Plan	5,000
Bungendore	Business Plan	5,000
Delegate	Business Plan	3,000
Perisher Valley	Business Plan	8,325
Tuross Heads	Business Plan	8,300
Braidwood	Business Plan	11,633

Local Government Development Programme

Not applicable – the Local Government Development Programme ceased at the end of 1998-99.

Local Government Incentive Programme

$626,000 was provided to the Local Government and Shires Associations of New South Wales to assist councils, including those in the Eden-Monaro electorate, to prepare for the Goods and Services Tax.

Eden Region Adjustment Package

Nil.

Regional Development Programme

Nil.

The Federal Road Safety Black Spot Program

$350,000.

Roads: Commonwealth Funding

(Question No. 3191)

Senator O'Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 12 October 2000:

(1) What was the total Commonwealth funding to all roads in the 1995-96, 1996-97, 1997-98, 1998-99, 1999-2000 financial years.

(2) What was the total Commonwealth funding to local roads in the 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 financial years, by state and by council.

(3) What was the total Commonwealth funding to state roads in the 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 financial years, by state.

(4) What was the total Commonwealth funding to national roads in the 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000 financial years, by state.

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

(1) The following table shows total Commonwealth road funding:

95-96	96-97	97-98	98-99	99-00
($m)	($m)	($m)	($m)	($m)
1,568.1	1,596.7	1,614.4	1,688.5	1,653.3

(2) Copies of tables showing the component of Commonwealth financial assistance grants to local government identified for local roads, by state and council for the years 1995-1996 to 1999-2000, have been provided to the Table Office.

(3) The following table shows Commonwealth grants to State and Territory Governments which were identified for use on roads by State:

	95-96	96-97	97-98	98-99	99-00
	($m)	($m)	($m)	($m)	($m)
NSW	109.8	113.4	115.9	117.9	124.3
VIC	99.1	93.2	84.8	86.9	87.5
QLD	68.0	71.7	75.2	74.9	76.3
WA	43.2	40.9	37.8	38.2	38.2
SA	28.2	32.6	37.2	38.3	38.8
TAS	11.2	13.4	15.4	15.4	16.2
NT	8.7	13.9	18.9	19.4	20.2
ACT	2.8	4.3	5.8	6.2	7.3
TOTAL	371.0	383.4	391.0	397.2	408.8

(4) The following table shows Commonwealth funding for National Highways and Roads of National Importance by State:

	95-96	96-97	97-98	98-99	99-00
	($m)	($m)	($m)	($m)	($m)
NSW	311.3	296.8	320.4	314.8	295.8
VIC	142.1	109.5	94.6	107.4	84.7
QLD	176.2	196.1	177.2	195.7	211.3
WA	72.6	74.8	72.3	87.1	69.1
SA	64.2	58.5	90.4	100.5	65.0
TAS	30.9	33.9	27.5	31.3	36.4
NT	31.4	29.3	30.2	25.3	27.7
ACT	2.7	2.2	2.5	12.6	25.5
TOTAL	831.3	801.2	814.9	874.5	815.4

Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999 (Question No. 3596)

Senator Murray asked the Minister for Justice and Customs, upon notice, on 4 June 2001:

(1) Given the overwhelming cross party support in 1999 for legislation to criminalise the bribery of foreign officials in the Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999 and to remove the tax deductibility of bribes in the Taxation Laws Amendment Act (No. 8) 1999 (those laws), what measures has the Government taken to: (a) make those laws widely known to the business community; (b) provide adequate resources to law enforcement authorities to investigate and prosecute offences under those laws; and (c) encourage compliance with and enforcement of those laws.

(2) In view of the forthcoming peer review by the Organisation for Economic Co-operation and Development of Australia's enforcement of its laws to criminalise foreign bribery, what measures has Australia been taking to ensure that the legislation is adequately enforced.

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

(1) (a) what measures has the Government taken to make those laws widely known to the business community:

The Government took numerous steps to make the law which criminalised bribery of foreign public officials widely known to business. This offence in the Criminal Code came into force in December 1999 and implements in Australia the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the Convention).

The former Minister for Justice and Customs referred draft implementing legislation to the Joint Standing Committee on Treaties in February 1998 and stated that she considered the Committee's inquiry would be 'the focus of consultations on the legislation and the Convention'. The Minister addressed the Committee at its first public hearing and senior officers of the Attorney-General's Department gave extensive evidence at several of the Committee's public hearings. The Committee took oral evidence from, and received written submissions from, a wide range of individuals, corporations (such as Westpac, Telstra), organisations (such as Transparency International Australia, St James Ethics Centre), peak representative bodies (such as the Minerals Council of Australia, Law Council of Australia), government agencies and private sector legal firms. The Committee's report, which was tabled in June 1998 recommended that the Government sign and ratify the Convention and pass implementing legislation. There was media reporting of the reforms from the outset, as well as interest from legal, accounting and business professionals who, as encouraged by the Government, have also been active in informing clients about their obligations under the legislation.

In addition to the consultations undertaken by the Committee the former Minister and senior officers of the Attorney-General's Department also addressed Seminars on Criminalising Foreign Bribery convened by Transparency International Australia and a seminar organised by the Institute of Chartered Accountants. A senior officer of the Attorney-General's Department also took part in several radio interviews and contributed to an article in an Austrade magazine publication. The Department also responded to numerous telephone enquiries. These occur on a regular basis and in themselves suggest awareness of the obligations.

Australia has taken strong steps to guard against corruption in its aid program activities. AusAID works very closely with Australian managing contractors in an effort to minimise the risk of any impropriety in individual aid projects. All AusAID contracts contain a special anti-corruption clause.

In relation to that part of the question referring to legislation removing the tax-deductibility of bribes I note that the Government amended the income tax law, through Taxation Laws Amendment Act (No. 2) 2000 to ensure that a person cannot obtain an income tax deduction for a loss or outgoing that is a bribe to either a foreign public official or an Australian public official. The provisions prohibiting such a claim are sections 26-52 and 26-53 respectively of the Income Tax Assessment Act 1997.

The Australian Taxation Office's public web site (http://www.atoassist.gov.au.) includes references and links to relevant legislation and explanatory material.

As the taxation system is based on self assessment, the onus of not claiming an income tax deduction for a bribe to a public official rests with the taxpayer. If such a claim were to come to the attention of the Commissioner of Taxation, the claim would be disallowed.

(b) what measures has the Government taken to provide adequate resources to law enforcement authorities to investigate and prosecute offences under those laws.

The Australian Federal Police (AFP) has primary responsibility for the investigation of criminal offences against Commonwealth laws, including the Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999. As part of a priority setting process, all cases referred to the AFP are assessed in accordance with the AFP's Case Categorisation and Prioritisation Model. During this assessment process, regard is given to the nature of an alleged crime, the effect of the criminality involved and the resources required for investigation. When accepted for investigation, referrals are assigned to a team that has a flexible number of members, depending on the requirements of that particular investigation. The flexible teams based approach is used very successfully throughout the AFP an example of which is the mobile drug strike teams. This approach allows the AFP to dedicate maximum resources to priority inves-

tigations. The AFP's Case Categorisation and Prioritisation Model is available on the AFP website at www.afp.gov.au.

The Commonwealth Director of Public Prosecutions (DPP) prosecutes offences against Commonwealth laws. The DPP advises that to date there have been no prosecutions under the Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999.

Australia's response to corruption includes establishment of appropriate investigative, law enforcement and prosecutorial authorities at Commonwealth, State and Territory level. Federal investigative agencies include the National Crime Authority, the Australian Federal Police (including its Police Liaison network and close co-operation with Interpol), Australian Transaction Reports and Analysis Centre, Australian Securities and Investments Commission, Commonwealth Ombudsman, Australian National Audit Office and the Australian Customs Service. All these bodies are in a position to encounter corruption. At the State and Territories level there are also bodies that may encounter breaches of the legislation and are equipped to identify such problems. These include the Independent Commission Against Corruption in New South Wales, the Criminal Justice Commission in Queensland and State and Territory police services. There are also State and Territory Ombudsmen and Auditors-General. In addition specific Royal Commissions of Enquiry have been tasked with enquiry into particular corruption issues. There are many examples in the past which illustrate the resolve which investigative and prosecutorial authorities in Australia have shown in relation to corruption issues which suggests that there is a high possibility of corruption being detected and pursued. These demonstrate that Australia has the ability to deal with these issues.

(c) what measures has the Government taken to encourage compliance with and enforcement of those laws:

See above answer to parts (1)(a) and (1)(b) of the question.

(2) In view of the forthcoming peer review by the Organisation for Economic Co-operation and Development of Australia's enforcement of its laws to criminalise foreign bribery, what measures has Australia been taking to ensure that the legislation is adequately enforced.

Australia has enthusiastically participated in the self and mutual evaluation of implementing legislation being conducted by the OECD Working Group on Bribery . The Working Group gave a favourable assessment of Australia's legislation and Australia has subsequently participated in the evaluation of the legislation of 2 other countries.

Australia is well placed for the forthcoming peer review by the Organisation for Economic Cooperation and Development (OECD) of Australia's enforcement of its laws criminalising foreign bribery. It is reasonable to expect that any future review of Australia's enforcement of its implementing legislation will likewise be favourable and in this regard I also refer to my answer to part 1 of the question in relation to enforcement measures.

International Convention Against the Recruitment, Use, Financing and Training of Mercenaries

(Question No. 3606)

Senator Bourne asked the Minister representing the Minister for Foreign Affairs, upon notice, on 12 June 2001:

With regard to the Minister's answer to question on notice no. 3566, (*Hansard*, 18 June 2001, page 24952, part three, relating to the 1989 International Convention Against the Recruitment, Use, Financing and Training of Mercenaries, 'The Government intends to submit the Convention to the Joint Standing Committee on Treaties for its consideration once domestic and international consultation on the Convention is completed and once the full extent of the necessary legislation to implement the Convention in Australia is known':

(1) When was the consultation on the Convention.

(2) When will the necessary legislation be ready.

Senator Hill—The Minister for Foreign Affairs has provided the following response to the honourable senator's question:

(1) The consultation is on-going. The Convention has been listed on the Commonwealth-State-Territory Standing Committee on Treaties' Schedule of Treaty Action since December 1995 and

the Attorneys-General of all States and Territories have been consulted on Australia's accession to the Convention. A number of community groups and associations have been consulted and either supported or did not object to Australian accession to the Convention. They included the United Nations Association of Australia Inc., the Returned and Services League of Australia Ltd and the Australian Red Cross Society. The Government is still awaiting responses from the Australian Council for Overseas Aid, the Australian Institute of International Affairs, the Federation of Ethnic Communities Council of Australia, the Australian Council for Civil Liberties, the Law Council of Australia and Amnesty International Australia. Finally, the Government has canvassed the views of Australia's regional partners and other like-minded States, responses from a small number of these are still outstanding.

(2) The Government intends to include the legislative action necessary to implement the Convention in a package of amendments to the Criminal Code 1995 transferring into the Code all elements of the Crimes (Foreign Incursions and Recruitment) Act 1978 and inserting any other necessary provisions. Draft legislation has not yet been prepared and it has not been included on the legislative program for the Spring Sitting of Parliament.

Australian Defence Force: Indonesian Military and Police Personnel

(Question No. 3607)

Senator Bourne asked the Minister representing the Minister for Defence, upon notice, on 12 June 2001:

(1) For the years 2000 and 2001, what military contact did the Australian Defence Force and its associated bodies or the Australian Government and its associated bodies have with the Indonesian Military and police personnel, which involved: (a) training and education of any nature; (b) the supply of materials or equipment of any nature; (c) construction of any nature; and (d) the venues for such training, supply and construction.

(2) Did training take place at the Holsworthy School of Military Police, Sydney, during late February to early March 2001, of two Indonesian military personnel, if so; (a) were these people there to do an interrogators course; and (b) did they complete the course.

(3) (a)Does the Australian Government have any information regarding the number of Indonesian military personnel currently in West Papua; and (b) is the Australian Government aware of any plans that the Indonesian Government may have to increase the numbers.

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

(1) For the years 2000 and 2001 the Australian Defence Force had the following contact with the Indonesian Military :

(a) In 2000 and up until 30 June 2001 the Australian Defence Organisation (ADO) has had contact with Indonesian military through the provision of training on a variety of courses and postgraduate study programs. During this period, the ADO has sponsored training for Indonesian military officers/NCOs in Australia as shown in the table below:

COURSE	2000	2001
Defence Strategic Studies	6	6
Australian Command & Staff College (one in each stream – Navy, Air Force, Army)	2	3
Defence Cooperation Scholarship Postgraduate Study Program	12	12
Advanced Australian English Learning	8	2
RAN Intermediate Navigation	1	
Integrated Logistics Support Managers	3	3
Methodology of English Language Teaching	5	3
Audiovisual Laboratory Technician	4	
Engineer Officer Aircraft Operations & Maintenance	1	
Australian Defence Force Profiling System Rater Training	4	
Defence Management Seminar	2	3
Maritime Air Surveillance Seminar	4	
Instructional Technique/Training Development	2	1

COURSE	2000	2001
Logistics Officer Basic Course	1	
International Peacekeeping Seminar	4	
Instructional Technique/Basic Staff		2
Regimental Officer Basic Course – Military Police		2
H2 Hydrographic Officer		1
Junior Officer Strategic Studies		1
Flying Officer		2
English Teacher Development Course		4
RAN Maritime Studies Period	2	
Intermediate Staff Course		1
Flying Safety Officer		2

All Indonesian students attend the Defence International Training Centre for an Australian Familiarisation course prior to any course of study in Australia.

(b) In 2000 and 2001, the ADO supplied material to the NOMAD maintenance team located in Surabaya, Indonesia. The NOMAD Maintenance Team, comprising 3 ADF technical personnel, assists the Indonesian Navy (TNI-AL) through the provision of training and general maintenance for the TNI-AL fleet of NOMAD maritime surveillance aircraft.

The ADO has gifted, in this period, to TNI-AL surplus/written-off material, no longer suited to ADF requirements. The gifts were six instrument vertical speed indicators (IVSOs), and one test facility kit, used for battery testing, all items for use in the TNI-AL NOMAD fleet. Supplied material is restricted to small parts such as O rings, back up rings, twisters, sealing kits, screws, paint, clips, tools and other minor consumables that assist in keeping the NOMAD fleet operational.

The NOMAD fleet is based at the Juanda Naval Air Station, located at Surabaya, Indonesia.

(c) The ADO has not carried out any construction for, or in conjunction with, the Indonesian military or police.

(d) Indonesian military students who attend Australian Defence Force single and joint service courses, come into daily contact with ADF and ADO personnel, both officers and NCOs during the course of their training. As all foreign students (including the Indonesian students) are integrated into the ADF teaching process, the classes are comprised of a mixture of Australian Defence Force personnel and students from many other foreign defence forces.

Venues for training are located at the single service schools. Indonesian military officers/NCOs have been present at training schools or seminars on the following bases:

- RAAF bases Williams, East Sale, Fairbairn, Laverton, Wagga, Williamtown and Edinburgh;
- Naval bases HMAS Creswell and HMAS Penguin;
- Army bases at Bandiana, Holsworthy, and Canungra;
- the Australian Defence College, Weston;
- the Australian Defence Force Academy; and
- the Defence International Training Centre (DITC) (located at RAAF Laverton).

Postgraduate students are posted to universities around Australia, and attend these universities as international students, hence no formal military contact is undertaken between the ADF and the students, whilst at university.

(2) During the period February to March 2001 two Indonesian Officers completed the Regimental Officers Basic Course - Military Police at Holsworthy Army Barracks in Sydney.

(a) These officers did not participate in an Interrogators Course, and no interrogation training was included on the course they did complete.

(b) The two officers successfully completed the Regimental Officers Basic Course - Military Police. The course included instruction on the following areas relevant to junior officers:

- Performing the general duties of a military police platoon commander,
- Advising on minor criminal investigations,
- Performing the operational duties of a military police platoon commander;

- Briefings on Australian law;
- Performing defensive tactics, and
- Communication skills.

(3) With regards to the deployment of Indonesian military personnel in Irian Jaya, it is not appropriate for the ADF to comment on the deployment, or planned deployment of foreign military forces.

Centrelink: Bondi Junction

(Question No. 3608)

Senator Chris Evans asked the Minister for Family and Community Services, upon notice, on 12 June 2001:

Have there been changes to the level or type of services available to clients, particularly older people, at the Bondi Junction office of Centrelink.

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

Centrelink currently has a Customer Service Centre in the Carousel Shopping Centre at Bondi Junction. In August 2000 the owners of this building, Westfield, advised Centrelink's property agent, KFPW, that the Centre is to be demolished and the site redeveloped. Westfield informed all tenants, including Centrelink, that beyond 30 June 2001, no tenancy would be guaranteed. Centrelink is on a monthly tenancy in the Carousel Centre. Subsequent to this advice Westfield advised Centrelink in early 2001 that its plans to redevelop the Centre had been delayed and that Centrelink could remain in its exiting premises until 31 January 2002. Centrelink instructed its property agent, KFPW, to accept the offer to remain in the Carousel Centre until it is demolished after January 2002.

In the meantime efforts were made to identify alternative accommodation in the Bondi Junction retail precinct suitable for providing services to customers, including one formal approach to the market in September 2000, ongoing searches by Centrelink's Sydney property group staff including walk arounds in the Bondi Junction district, and discussions with local real estate agents. Despite these efforts no suitable accommodation could be identified.

Subsequently, Centrelink identified two smaller shop fronts in the Bondi Junction retail precinct which could be adapted to provide services to customers.

The first site, which provides Retirement and Family Assistance Office services opened on 9 April 2001. Due to the limited space available in this shopfront it has been necessary for a small proportion of Families and Retirement Services customers to be serviced from the nearby Maroubra Customer Service Centre.

Final negotiations are underway for the second site, which will provide employment services. It is expected this site will open in September 2001. In the meantime, employment services will continue to be provided from the existing Customer Service Centre premises in the Carousel Centre.

Echuca-Moama Bridge: Funding

(Question No. 3613)

Senator Allison asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 14 June 2001:

What is the basis of the Federal Government's $15 million Federation Fund grant for the proposed Echuca-Moama Bridge project with regard to: (a) the siting of the bridge; (b) the total cost; and (c) the contributions of the Victorian and New South Wales state governments to the project.

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

(a) Planning of the new bridge at Echuca-Moama is the joint responsibility of the NSW Roads and Traffic Authority (RTA) and VicRoads, though the Victorian Government is managing the overall project delivery process. The RTA and VicRoads have recently announced that option C1, a central route with approach roads which provides a new bridge upstream and parallel to the existing bridge, has been selected as the preferred route.

A joint Environment Effects Statement/Environmental Impact Statement (EES/EIS) and the accompanying Planning Scheme Amendment (PSA), for the Victorian component of the project,

will now be prepared and displayed for public comment. Public submissions will then be considered by an independent panel appointed by the Victorian Minister for Planning.

A final decision will be made after the State Governments have considered the recommendations of the independent panel. This final decision will be made in conjunction with the Federal Government given its funding commitment to the project.

(b) The most recent estimated total cost of the Echuca-Moama Bridge is $37 million.

(c) The Federation Fund is a special, one-off, program to fund projects that will mark the Centenary of Federation in a meaningful way. While the Federal Government is pleased to contribute to the three Murray River bridges as fitting Centenary of Federation projects, they remain a State responsibility. It was made clear at the time of the Federal Government's commitment to the bridges that the funding was being provided on the understanding that the New South Wales and Victorian Governments would be responsible for maintaining the new bridges and for meeting the cost of integration into the existing roads network.

Australian Defence Force: Aircraft Carrying Depleted Uranium

(Question No. 3621)

Senator Greig asked the Minister representing the Minister for Defence, upon notice, on 15 June 2001:

(1) Which aircraft operated by the Australian Defence Force carry depleted uranium for ballast or other purposes.

(2) How much depleted uranium is carried by an individual aircraft of each type using depleted uranium.

(3) What rules apply in relation to the use of depleted uranium in Australian Defence Force aircraft.

(4) What arrangements exist to deal with possible health hazards from depleted uranium, for example, by dispersion of depleted uranium after a crash.

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

(1) F-111 and C-130J aircraft carry depleted uranium as counterbalance weight.

(2) The F-111 Infrared Search and Targeting Pod contains 42.7 kg of depleted uranium and the C-130J elevator has 29 kg of depleted uranium per side.

(3) Australian Defence Force Publication (ADFP) 722, Military Aircraft Accident Sites – Guidelines for Emergency Services Personnel, issued by the Surgeon General Australian Defence Force lists among other hazardous materials that 'depleted uranium.. can be extremely toxic when exposed to fire.' It lists the presence of depleted uranium as a hazardous substance in the F-111. C-130J details are yet to be amended. Air Force Headquarters in conjunction with Air Lift Group will advise the Surgeon General-ADF to amend correct details with respect to the C-130J.

(4) Guidelines on how to handle depleted uranium recovered from crash sites are detailed in ADFP 722, Military Aircraft Accident Sites – Guidelines for Emergency Services Personnel and its supplementary document Aircraft Accident Occupation Health and Safety Manual.

New Enterprise Incentive Scheme Advisory Committee

(Question No. 3624)

Senator O'Brien asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 19 June 2001:

With reference to the New Enterprise Incentive Scheme (NEIS):

(1) Can the Minister provide the names of the members of the New Enterprise Incentive Scheme Advisory Committee (NEISAC) that made the original decision to recommend that the business called 'Yum' of 70 Charles Street, Launceston, was eligible for funding under the NEIS.

(2) Can the Minister provide the names of the members of the NEISAC that reviewed the decision to recommend that the business called 'Yum' of 70 Charles Street, Launceston, was eligible for funding under the NEIS.

(3) (a) What is the level of funding provided to the proprietor of this business; and (b) from what date did the funding start and until what date will the funding be provided.

(4) Is there any other funding that this business, or its proprietor, receives through the department.

(5) Can the Minister explain why ‘Yum’ is operating within 10 meters of an existing business as a direct competitor.

(6) Is the Minister aware that for a business to be eligible for NEIS funding it must not compete directly with an existing business unless it can be demonstrated that there is an unsatisfied demand for the product or service, or that the goods or services are to be provided in a new way.

(7) Would a business seeking assistance under the NEIS be defined as in direct competition with an established business if it offered for sale all but one of the menu items that the existing business had been offering for a minimum period of 12 months.

(8) Would a new business seeking assistance through the NEIS be defined as in direct competition with an established business if it kept similar hours of operation, similar menus and similar dine-in arrangements.

(9) Did any member of the Launceston NEISAC declare a conflict of interest in making the original or reviewed decision to provide funding to the ‘Yum’ cafe.

(10) Did any members of the Launceston NEISAC have a conflict of interest in making the original or reviewed decision to provide funding to the ‘Yum’ cafe.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(1) NEISAC Members who considered this application are:

Sue Prescott

Murray Scales

George Leighton

(2) The same panel members reviewed the original decision on request from the Department.

(3) (a) The basic NEIS allowance is paid to the Yum proprietor: $350.80 per fortnight. (b)The NEIS payments commenced on 15 February 2001 and will continue for a maximum of 12 months.

(4) No other payments to this business are made by the department.

(5) Departmental staff and staff of the Job Network provider, Mission Australia, have visited both “Yum” and a nearby bakery/coffee shop and have concluded that, while making and selling food, “Yum” as a specialist juice bar caters to a different market to the nearby bakery/coffee shop.

(6) Yes

(7) As noted, both the departmental staff and staff of the Job Network provider have concluded that “Yum”, being a Juice Bar with herbal teas and health oriented eat in foods, caters to a different market to the nearby bakery/coffee shop.

(8) See answer to questions 5, 6 and 7.

(9) and 10) The Manager of Mission Australia in Launceston has advised that they were, and are, unaware of any conflict of interest by NEISAC members and none was declared at either the initial approval or review.

Tasmania: Regional Forest Agreement
(Question No. 3628)

Senator Brown asked the Minister representing the Minister for Forestry and Conservation, upon notice, on 18 June 2001:

(1) Can details be provided listing each area which was proposed to be reserved under the Regional Forest Agreement (RFA) in Tasmania, signed by the Prime Minister.

(2) For each area: (a) what was the size under the RFA proposal and the final size gazetted (or proposed gazetted) area and the reason for the change; (b) where the area has been reduced, did logging occur or is it planned in the coming 3 years; if so, when and why; and (c) what is the volume of woodchips, sawlogs or veneer taken from each such area and by whom.

(3) What role, if any, has the Commonwealth taken in each of these changes.

Senator Hill—The Minister for Forestry and Conservation has provided the following answer to the honourable senator's question:

(1) Details of areas proposed to be reserved under the Tasmanian RFA are provided in Appendix 6 and Map 1 of the RFA. The areas provided in Appendix 6 are approximate areas based on the indicative boundaries of Map 1.

(2) (a) See answer to question (1) for the indicative areas. Final boundaries were identified in accordance with the procedures specified in Attachment 6 of the RFA. The final areas of the formal reserves were proclaimed by the Tasmanian Government under the Regional Forest Agreement (Land Classification) Act 1998. Schedules 2, 4, 7, 8, 9, 11 and 12 of that Act provide the actual area of each reserve.

(b) Provided that forest operations are carried out in accordance with the RFA, the Minister is not required to be advised of the detail. This question should be addressed to the Tasmanian Government.

(c) Under the RFA, the Minister is not required to be advised of this level of detail. This question should be addressed to the Tasmanian Government.

(3) The Commonwealth and Tasmanian Governments, as part of the annual reporting process for each State, review the milestones for each RFA. Commitments made in each RFA will also be reviewed jointly as part of the first five-yearly review of all RFAs.

Australian Broadcasting Corporation: Stress Series
(Question No. 3632)

Senator Faulkner asked the Minister for Communications, Information Technology and the Arts, upon notice, on 19 June 2001:

(1) Has the Australian Broadcasting Corporation (ABC) produced four half-hour episodes of a science series about stress.

(2) When were the episodes of this series completed.

(3) What was the total cost of this series.

(4) What is the reason that the series has not been broadcast.

(5) Has a book been written to tie in with this series; if so, has the book been published.

(6) What is the total cost of this book, including storage if relevant.

(7) If the book has been printed: (a) how many were in the print run; (b) when were they printed; and (c) where are these books now.

(8) (a) When will the series be broadcast; and (b) when will the book be available for purchase.

(9) (a) Which ABC executive made the decision not to screen the series; and (b) what was the reason for not proceeding.

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

(1) Yes.

(2) The series was delivered to ABC Television on 27th July 2000.

(3) The series budget was $399,045.

(4) ABC Television has been assessing a suitable date and time for broadcast.

(5) Yes, a book has been written to tie in with the series. The book has been printed, but release is being held to coincide with the television series broadcast.

(6) Costs incurred to date are:

- Pre-press, $ 7,347.10;
- Print, $12,044.38;
- Author Advance (recoupable) against royalties, $20,000.00;
- total costs, $39,391.48.

There is no storage charge.

(7) (a) The print run is 7610 units.

(b) The books were printed in February 2001.

(c) The books are in the ABC Book distributor's (Allen and Unwin) warehouse.

(8) (a) The series is currently scheduled for broadcast in December 2001.

(b) The book is scheduled to be released in the month prior to broadcast, currently a November release for December broadcast.

(9) (a) No decision has been taken not to broadcast the series. The series has been scheduled.

(b) N/A.

Forest and Wood Products Research and Development Corporation (Question No. 3636)

Senator Brown asked the Minister representing the Minister for Forestry and Conservation, upon notice, on 19 June 2001:

With reference to project PN97.107 funded by the Forest and Wood Products Research and Development Corporation:

(1) How does this project, whose aim is to "form an association of scientists who understand and have contributed to the sustained management of Australia's native forests", meet the corporation's legislated requirement to invest in research.

(2) (a) How much money has been allocated to the project and over what time period; and (b) what can or has the money been spent on.

(3) By what criteria is the success of the project to be evaluated.

(4) (a) Has the Association been formed; (b) what is its name; (c) how many members does it have and who are they; and (d) what funding does the association receive from other sources.

Senator Hill—The Minister for Forestry and Conservation has provided the following answer to the honourable senator's question:

(1) The Forest and Wood Products Research and Development Corporation has advised

- The aim of the project is not the formation of "an association" of scientists. The aims of the project are:
- to analyse the applications of, and assess procedures for, sustainable management of Australia's native hardwood forests;
- to develop scientific resource material from scientists who understand and have contributed to sustainable management of Australia's native forests;
- to implement the strategies that promote the scientific basis for sustainable utilisation of Australia's native forests;
- to encourage scientists who have worked in the field of sustainability to contribute to public debate; and
- to develop networks between scientists working on the sustainability of forests in Australia and overseas.

These aims are consistent with the objects set out in the Primary Industries and Energy Research and Development Act 1989. This is to provide for funding and administration of R&D with a view to, inter alia, achieving sustainable use and management of natural resources, making more effective use of resources and skills of the community and the scientific community in particular and facilitate dissemination of the results.

(2) (a) The Forest and Wood Products Research & Development Corporation is contributing $73,768 to the project over 3 years. $63,094 has been spent to date. (b) The project involved the organisation and running of four conferences around Australia, involving 250 people representing community groups, conservation groups, scientists from CSIRO, universities, state and commonwealth departments. The conferences were widely advertised and proceedings are available on the internet at www.sfs.unimelb.edu.au. The project was to end 1 February 2001, but has been extended to permit compilation of a book with contributions from forest scientists on key issues identified in the conferences. Professor Peter Attiwill is editing the book for publication.

(3) The success of the project is evaluated against: (i) the milestones of convening the conferences and the publication of pamphlets, articles in various journals and books on sustainable forest management and (ii) the aims of the project outlined above. The project allows a variety of informa-

tion and views among forest scientists on the sustainable management of native forests to be debated. I support informed debate among experts and I would have thought Senator Brown would also be in favour of informed discussion and debate.

(4) (a) No; (b), (c) and (d) Not applicable.

Liquefied Petroleum Gas
(Question No. 3637)

Senator Brown asked the Minister for Industry, Science and Resources, upon notice, on 20 June 2001:

(1) How much surplus liquefied petroleum gas (LPG) is currently being burned in underground pits by extracting companies, including the Esso oil company.

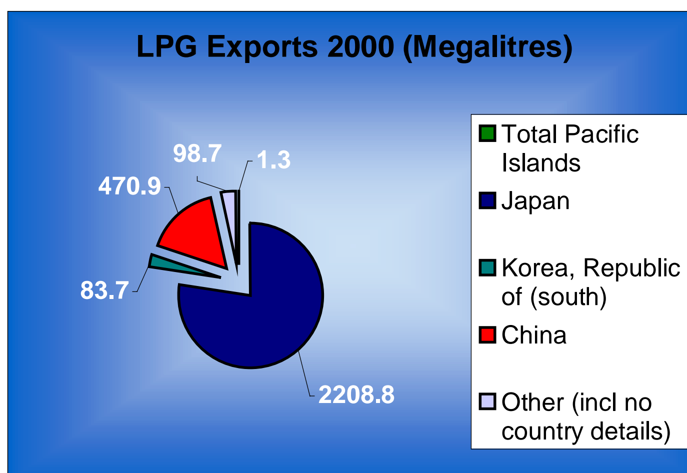
(2) (a) How many litres of surplus LPG gas is being exported from Australia; and
(b) to whom.

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

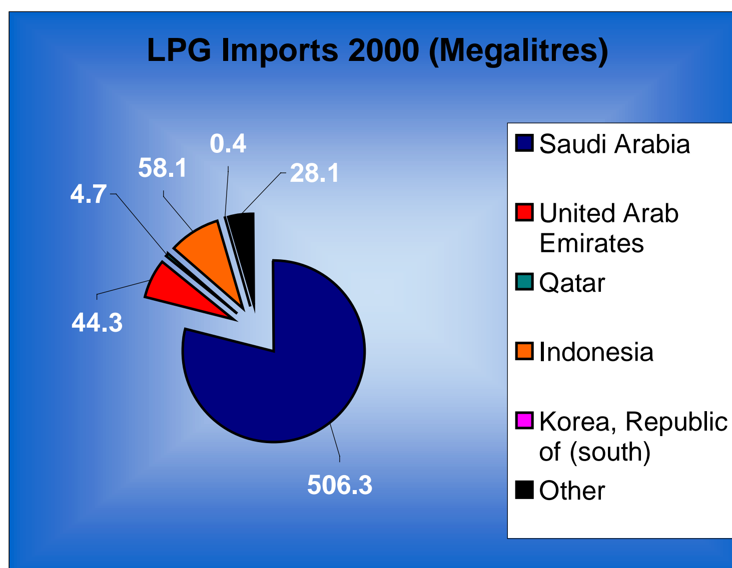
(1) The Department of Industry, Science and Resources is not aware of any circumstances in which surplus LPG may be being burned in underground pits by any producers as opposed to extracting such LPG for sale either in Australia or overseas.

(2) As LPG producers are free to market their gas both locally and overseas, the export of LPG is not usually considered as sales of surplus LPG other than in the sense that Australia's total LPG demand is less than the sum of both local production and imports. The enclosed tables provide details of the quantities of Australian LPG production, LPG imports and their source and LPG exports and their destination.

LPG Exports 2000 (Megalitres)	
Countries	Amount (Megalitres)
Total Pacific Islands	1.3
Japan	2208.8
Korea, Republic of (south)	83.7
China	470.9
Other (incl no country details)	98.7
Total	2863.4



LPG Imports 2000 (Megalitres)	
Countries	Amount (megalitres)
Saudi Arabia	506.3
United Arab Emirates	44.3
Qatar	4.7
Indonesia	58.1
Korea, Republic of (south)	0.4
Other	28.1
Total	642.1



Australian LPG Exports 2000 (Megalitres)	
	Amount (Megalitres)
Total LPG Production (Naturally Occurring)	4238
Total LPG Production (Refinery)	1698.2
Total LPG Imports	642.1
Total LPG Demand	-3679.2
Total Exports	2899.1

Perera, Major General Janaka
(Question No. 3638)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 21 June 2001:

With reference to the appointment of Major General Janaka Perera as Sri Lankan High Commissioner to Australia and claims that he has been involved in violent human rights abuses in the civil war in Sri Lanka:

(1) (a)What were Major General Perera's suitable and worthy attributes reported to the Minister by Sri Lankan Foreign Minister Kadirgamar; and (b) when and how did the Australian Minister discuss the appointment.

(2) Was General Perera the Sri Lankan Government's operational commander for the Jaffna Peninsula from 1996.

(3) Has High Commissioner Perera been implicated in the Visak Day massacre in Batticaloa in May 2000, which included the deaths of nine children from a Christian orphanage.

(4) Was General Perera in charge of operations when the city of Chavakacheheri was sacked last year.

(5) Was General Perera involved in the Chemmani massacre in 1996-97.

(6) In view of the internationally contentious nature of the war in Sri Lanka, what checks (please detail) were made on the General after he was nominated by the Government of Sri Lanka.

(7) (a)How has, or will, the Australian Government greet and accredit General Perera; and (b) what opportunity will the Minister offer him to answer the charge that he has been involved in widespread human rights atrocities.

Senator Hill—The answer to the honourable senator's questions is as follows:

(1) (a)Because of confidences between Governments it would not be appropriate to provide further detail on the contents of Mr Downer's conversation with the Sri Lankan Foreign Minister, Mr Kadirgamar, beyond his earlier comments that Mr Kadirgamar advised him that Major-General Perera was a worthy and suitable nominee. (b) Mr Downer spoke with Mr Kadirgamar by telephone on 13 May 2001.

(2) to (5) As Mr Downer stated in the House on 18 June 2001, this appointment was carefully considered and these considerations did not establish any basis from which the Australian Government could withhold Agrement. In relation to the information requested in questions 2 to 5, a response would require a detailed chronology of major-General Perera's commands, locations and movements. The responsibility for providing such information lies with the Sri Lankan authorities.

(6) Careful consideration was given to the appointment and the Government received advice from a number of sources. As the process of granting Agrement is confidential I will not further detail the investigations which were undertaken other than to say that they were performed diligently.

(7) (a)The High Commissioner presented his credentials and has been received in Australia in the same manner as any other head of mission. (b) It is up to the High Commissioner whether or not he proposes to reply to questions put to him.

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