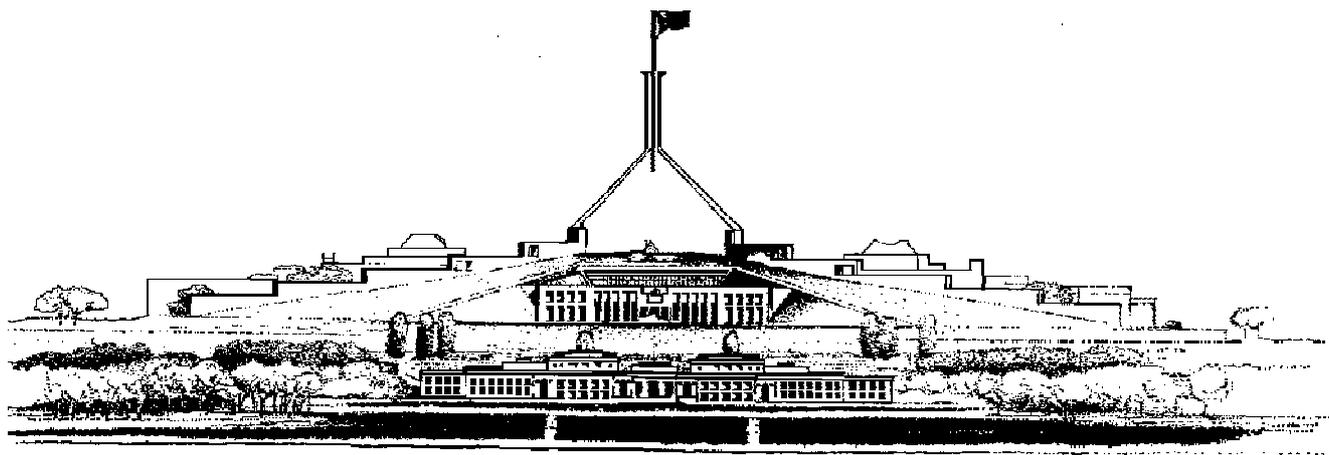




COMMONWEALTH OF AUSTRALIA
PARLIAMENTARY DEBATES



SENATE

Official Hansard

WEDNESDAY, 22 MAY 1996

THIRTY-EIGHTH PARLIAMENT
FIRST SESSION—FIRST PERIOD

BY AUTHORITY OF THE SENATE
CANBERRA

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Wednesday, 22 May 1996

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

PETITIONS

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

Jarosite Dumping

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

We the undersigned respectfully call upon the Federal government to (a) reverse the decision to extend the time allowed Pasmenco EZ to dump jarosite at sea, and (b) endorse and comply with the December 1995 deadline established by the London Dumping Convention.

by **Senator Bell** (from 57 citizens).

Census

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

That the current practice of destroying the Census is denying future generations an invaluable and irreplaceable resource of data on medical, historical, social, scientific, and demographic factors.

Your Petitioners request that the Senate should:

Request the Government to review its current policy of destroying the Census; and support a proposal to retain the census forms for release for specific research purposes in either 70 or 100 years time.

by **Senator Bourne** (from 242 citizens).

Petitions received.

NOTICES OF MOTION

Introduction of Legislation

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

That the following bill be introduced: A Bill for an Act to amend the Education Services for Overseas Students (Registration of Providers and Financial Regulation) Act 1991. *Education Services for Overseas Students (Registration of Providers and Financial Regulation) Amendment Bill (No. 1) 1996.*

Consideration of Legislation

Senator HERRON (Queensland—Minister for Aboriginal and Torres Strait Islander Affairs)—I give notice that, on the next day of sitting, I shall move:

That the order of the Senate of 29 November 1994, relating to the consideration of legislation, not apply to the Aboriginal and Torres Strait Islander Commission Amendment Bill 1996.

Senator HERRON—I seek leave to incorporate into *Hansard* a document justifying the need for the bill to be considered during these sittings.

Leave granted.

The document read as follows—

ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION AMENDMENT BILL

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 1996 WINTER SITTINGS

The Aboriginal and Torres Strait Islander Commission Act 1989 (the Act) requires that a full round of Regional Council elections be held between 1 July and 31 December this year, with a minimum of 90 days notice of the polling day. The independent panel which reviewed ATSIC's boundaries and electoral systems, as required by the Act, recommended that the elections be held on the second Saturday of October and this has been supported by the ATSIC Board of Commissioners. The reasons for conducting the elections at this time include the need to avoid weather extremes (including monsoonal rain) in the north of Australia in later months, cultural considerations (with many people being unable to vote and stand at other times due to ceremonial activities), mass movement of people during end of year school holiday time and to allow the new Councils and ATSIC Board of Commissioners to have maximum input into the development of the 1997/98 budget.

Many of the proposed amendments to the Act are critical to the conduct of the Regional Council elections and the subsequent zone elections, directly impacting on electoral arrangements. They therefore must be passed in the winter sittings to allow sufficient time for dissemination of advice to all affected parties and to enable necessary planning for the elections to be undertaken and preparations to be made on the basis of the amended provisions.

Additionally, most of the remaining amendments relate to a range of accountability and transparency aspects, together with amendments to improve the efficiency of Commission operations. It is impera-

tive that these amendments also be finalised as a matter of urgency so that people considering nominating for election will be able to do so in full knowledge of the provisions which will apply to them if elected to office.

Introduction and passage of the Bill in the winter sittings is essential because the vast majority of the proposed amendments must be in place by 1 July 1996.

University Funding

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

That the Senate—

- (a) expresses its deep concern at reports that the University of Queensland has announced a 4-month freeze on academic and general staff appointments;
- (b) notes that the University Vice-Chancellor, Professor John Hay, has stated that:
 - (i) this staff freeze is due to uncertainty over Federal Government funding, and
 - (ii) the Government has signalled cuts in funding of a magnitude Australian universities have never experienced; and
- (c) condemns the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone) for the negative impact which her scare-mongering approach is already generating on the standard of education available to university students in Queensland.

Aboriginal Deaths in Custody

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

That the Senate—

- (a) notes that:
 - (i) 9 May 1996 marked the fifth anniversary of the handing down of the final report of the Royal Commission into Aboriginal Deaths in Custody, and
 - (ii) the report contained 339 recommendations directed at ending the outrageous number of deaths of both Aboriginal and non-Aboriginal people in custody in Australia;
- (b) expresses:
 - (i) its sorrow and condolences over the deaths of 92 Aboriginal people who have died in custody in Australia since 31 May 1989, and

- (ii) its concern that the findings of the 1994 House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs report, *Justice under scrutiny: Inquiry into the implementation by governments of the recommendations of the Royal Commission into Aboriginal Deaths in Custody*, have not led to more concerted action on the part of Federal and State Governments; and

- (c) calls on the Government to immediately convene the national summit of corrective services ministers for which it argued in recent years in opposition.

Introduction of Legislation

Senator HERRON (Queensland—Minister for Aboriginal and Torres Strait Islander Affairs)—I give notice that, on the next day of sitting, I shall move:

That the following bill be introduced: A Bill for an Act relating to the Aboriginal and Torres Strait Islander Commission, and for related purposes. *Aboriginal and Torres Strait Islander Commission Amendment Bill 1996.*

Consideration of Legislation

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

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

- Supply (Parliamentary Departments) Bill 1996-97
- Supply Bill (No. 1) 1996-97
- Supply Bill (No. 2) 1996-97.

Senator KEMP—I seek leave to incorporate in *Hansard* a document stating the reasons.

Leave granted.

The document read as follows—

- Supply Bill (No. 1) 1996-97
- Supply Bill (No. 2) 1996-97

Supply (Parliamentary Departments) Bill 1996-97

Statement of reasons for introduction and passage in the 1996 winter sittings:

Legislative authority for expenditure under the annual Appropriation Bills expires on 30 June each year and, unless new expenditure authority is in place by that time, activities of Government funded through the annual Appropriation mechanism must cease.

The Supply Bills will provide interim legislation authority for expenditure pending introduction and passage of the Budget Appropriations. Passage of the bills before 30 June is required to allow funds to be made available to all agencies from 1 July, thereby ensuring continuity of program expenditure.

Higher Education Funding

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

That the Senate—

- (a) condemns the Coalition for refusing to rule out higher education funding cuts despite its clear election commitment that operating grants and research funding would be maintained;
- (b) notes that higher education funding cuts will further disadvantage traditionally disadvantaged groups and that any measures taken by the Coalition which result in an increase in fees charged to students will be socially unjust;
- (c) recognises that the impact of increased fees on students participating in the higher education sector is regressive, particularly for those students and potential students from groups with traditionally low levels of participation in the sector, such as Aboriginal and Torres Strait Islanders, women and people from lower socio-economic backgrounds; and
- (d) calls on the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone) to ensure that students are not further burdened with fees and charges, and that the Coalition keeps its pre-election commitments to maintain current levels of higher education funding.

ORDER OF BUSINESS

Customs (Prohibited Exports) Regulations

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

That business of the Senate notice of motion No. 1 standing in the name of Senator Faulkner for this day, relating to the disallowance of the Customs (Prohibited Exports) Regulations (Amendment), as contained in Statutory Rules 1996 Nos 47 to 50 (inclusive) and made under the Customs Act 1901, be postponed till the next day of sitting.

LEAVE OF ABSENCE

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

That leave of absence be granted to Senators Calvert and Ian Macdonald for the period 20 to 23 May 1996, on account of absence overseas.

ORDER OF BUSINESS

Nuclear Testing: China

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

That general business notice of motion No. 57 standing in the name of Senator Margetts for this day, relating to nuclear testing by the Chinese Government, be postponed till the next day of sitting.

SENATOR-ELECT FERRIS

Senator MINCHIN (South Australia—Parliamentary Secretary to the Prime Minister) (9.37 a.m.)—by leave—Mr President, I seek leave to make a statement relating to events surrounding the volunteer work currently being undertaken in my office by South Australian Senator-elect Jeannie Ferris.

Leave granted.

Senator MINCHIN—Ms Ferris resigned from a senior position in the South Australian government on 1 February 1996, prior to the close of nominations for the federal election, to contest the Senate election for the Liberal Party. Following the federal election, Ms Ferris, on my advice, sought information regarding the status of a senator-elect in relation to section 44 of the constitution.

While it is my strong view that section 44 does not apply to senators-elect, I felt it prudent that Ms Ferris obtain her own legal advice before considering any public sector employment in the period after the election and before 1 July. A barrister advised Ms Ferris that in her view a problem did not exist and referred to advice from the eminent constitutional lawyer Professor Bernard Lane contained in his textbook *Commentary on the Australian Constitution*. Professor Lane cited the experience of a Commonwealth public servant who resigned to contest the Senate in December 1961 and sought re-employment in the Public Service until his appointment as a senator took effect in July 1962. Professor Lane comments:

It seems to me that between December 1961 and July 1962, the man was not a senator, only a 'senator elect' and so did not attract Section 45

which speaks of a 'senator' vacating 'his place'. Neither was he 'sitting as a senator' within Section 44 and did not attract this section.

Following my appointment as Parliamentary Secretary to the Prime Minister, I invited Ms Ferris to assist me to conduct a review of the Native Title Act because of her longstanding interest and wide experience in the issue. After the allocation of staff positions by the Prime Minister, I offered Ms Ferris a position on my staff as an assistant adviser, at the same time explaining to her that appointments to my staff were subject to the approval of the Minister for Administrative Services, Mr Jull.

Mindful of Ms Ferris's position, I advised Minister Jull of her statement as a senator-elect. The minister drew my attention to Senator Durack's 1980 advice in which the then Attorney-General said that it was up to the person concerned to make his or her own decision in light of legal advice on whether the course of action could lead to questions of disqualification being raised. On the basis of the possibility that such questions could be raised, Minister Jull advised that he had not approved Ms Ferris's appointment and had instructed the Department of Administrative Services to cease processing the relevant documents. Ms Ferris then advised the department that she did not wish to proceed with the appointment.

The Minister for Administrative Services has advised that Ms Ferris subsequently rejected and has returned payment of three days salary which DAS had made prior to his approval of the appointment. Ms Ferris has also returned all expenses for the travel she undertook, paid on her behalf by the department. Independent Queen's Counsel advice subsequently obtained states:

Since relevant approval by the Minister was simply never obtained prior to Ms Ferris' indication that she did not wish to proceed with the appointment, the purported appointment was wholly void.

Ms Ferris could not therefore have held any office of profit and is not in breach of section 44 of the constitution, a view consistent with that expressed by Professor Lane about the position of senators-elect. Queen's Counsel advice to Senator-elect Ferris is that section 44 only applies to candidates in the official campaign period and to sitting senators, not

to senators-elect. Queen's Counsel advice to Ms Ferris is that those returned payments do not in any way affect the view that she never held an office of profit for the purposes of section 44 of the constitution.

Senator BOLKUS (South Australia) (9.42 a.m.)—by leave—I move:

That the Senate take note of the statement.

This morning Senator Minchin has not answered questions; in fact, he has raised a lot more. He has cast great doubt over the election and qualification of Senator-designate Ferris to sit in this place.

Government members interjecting—

Senator BOLKUS—Any degree of bluster on the other side does not overcome the basic problems that the government has here. I say to the government that unless this matter is clarified as soon as possible, this Senate will face a continuing constitutional problem. Unless you do it now, that problem will be with us after 1 July, and it will stay with us until her legal status is clarified. If you want to go to the budget session of this parliament with a cloud hanging over the qualification and eligibility of one of your critical votes to stay in this place, you will be responsible for that problem.

This problem does not go away 30 days after the return of the writs. This problem under the constitution is a continuing one. You can look at instances of former Senator Woods and Phil Cleary to know that questioning the election to the Court of Disputed Returns is one thing, but there are avenues open thereafter for a continuing avenue of redress for any citizen of the state of South Australia to argue about the qualification of Senator-designate Ferris. The decision to pursue that may rest in this place, but it does not have to rest in this place. Any citizen has the capacity to pursue it after 1 July, if not before that.

The questions that are left outstanding this morning are fairly fundamental. Let us go to the question of the legal advice. Senator Minchin says that, on the one hand, there is legal advice that says that she is all right, she is in the clear and it does not cover that period between the election and her taking her

place in this place. On the other hand, he refers to the advice of Senator Durack.

I will go back to the situation in 1980 when I was in a similar situation, working for a federal member before the election. I resigned and I could not go back to my job as an electorate secretary for a member of parliament because that job would have been an office of profit under the Crown had I stayed.

Senator Carr—A schoolteacher.

Senator BOLKUS—Whether it is a schoolteacher or electorate staff, the reality is that it has been quite validly and consistently argued that that period falls under the operation of section 44 of the constitution. We do not have to go back 15 or 16 years to find that. All we have to do is go back to Monday's *Hansard*, where Senator Vanstone, in the advice from the Minister for Administrative Services, said:

The advice further noted that Ms Ferris's qualification for being chosen as a senator would be open to question if she held an office of profit under the Crown.

Her position would have been open to question had she held an office of profit under the Crown. What I am going to is the time period. What is made clear by the advice to Administrative Services is that had she held an office of profit under the Crown during that interregnum period her position would be open to question.

Senator Minchin, you have not satisfied anybody with respect to the legal advice. What you have done is given us more information to argue that, whether it is the Durack advice, whether it is Administrative Services or whether it has been a consistent application of advice by Administrative Services over the years, Senator-designate Ferris should not have been employed by you during that interregnum period.

The second question is: was she employed? We were not born yesterday, Senator Hill. I know you are in a very difficult position because you have to defend Senator Minchin. I know that the factional interplay in South Australia means that you are under pressure to do that. Once again, let us look at precedent. The actual employment of Senator-designate Ferris—

Government senators interjecting—

Senator BOLKUS—You can laugh all you like, but this matter will end up in the High Court unless you grapple with it now. No degree of dissemination of information will overcome the basic fundamental problem here. Let me go back to it. The actual fact is that Senator-designate Ferris worked not just for Senator Minchin. Anyone can go to the library to look at footage of meetings Senator Herron had in Queensland and see Senator-designate Ferris there as well—present in the background, keeping on eye on Senator Herron to make sure he was doing the right thing with native title.

The fact is that this particular person worked in the office of Senator Minchin; that has been admitted this morning. There has been an admission this morning that Senator-designate Ferris worked in the office of Senator Minchin and got paid. She did not just get paid; she also got benefits. We do not know what they are. The notice of return to order that I have listed on the *Notice Paper* is one we will proceed with because we need to know what those benefits are.

This particular person served in the office, got benefits and travelled as part of her duties in Senator Minchin's office. You say, 'Well, that's okay because she paid it back.' That is irrelevant. Go and ask Phil Cleary, who got paid nothing. He got struck out despite the fact he was not paid, though he had the right to an office. He was in parliament. What struck him out was not the fact that he actually got paid because he did not hold an office. For the whole period relevant to the High Court proceedings Phil Cleary did not get paid a penny. But the High Court held that by the fact he had a right to an office of profit he was struck out.

In this particular case, not only had she a right—and she was granted that—but she actually got paid and she actually travelled. We do not know if she got travel allowance. We are told now that she only got paid three days—or did you say three weeks, Senator?

Senator Minchin—Three days.

Senator BOLKUS—That is good enough, you know. If a bloke gets struck out though

he got paid not one penny, how can you argue that she could sustain her position though she paid back the money? The fact is that Senator-designate Ferris should not have been appointed to this position. It has been a monumental mistake by Senator Minchin to go ahead and do this. Someone who should have known better, someone who has been a political apparatchik for so long, someone who knows the rules of the game should not have made such a blunder.

Senator Minchin, there is one fundamental rule in politics: when you try to cover up, you get yourself more and more into the stew. When you try to dissemble, you create more problems for yourself. When you try to argue, as you are arguing now, that there is no problem, you are digging yourself into a bigger ditch. And that is what you are doing.

There are two fundamental points here. The first is: is there legal advice that would say that, in her circumstances, for the time that she worked for you, her position would be subject to dispute? From the words of Senator Vanstone yesterday, it is clear that that period is relevant under section 44 of the constitution and would render her ineligible for election. That is question number one.

Question number two is: did she work and did she get any benefits? In response to both parts of that question: she worked, she got paid and she got benefits. Because of the interplay of these two factors, there is a real cloud over her capability to serve in this place.

We want to get to the bottom of this. We want to get to the bottom of this for a number of reasons. A pretty critical reason is that after 1 July the numbers in this place will be so finely balanced that one vote either way could swing a lot of decisions.

Senator Ferguson—We know that.

Senator BOLKUS—Thank you, Senator Ferguson. You know that. What we are saying now is, 'We're warning you.' If you want to go into that period with one of your senators having her position under dispute in the highest court of this country, then any constitutional, parliamentary or policy mistakes or fumbles that happen, any crisis this country

might flow into because of that, will be very much on the shoulders of not just Senator Minchin, who has been responsible for this in the first place, but also the leadership here: Senator Hill, Senator Vanstone and the Attorney-General (Mr Williams).

Let us turn to the Attorney-General, a well-respected lawyer. He has a responsibility here, too. What have we been told this morning as another little curious fact in an attempt to guide us down a side track? We have been told that Senator-designate Ferris went off and got her own advice. That is not good enough, either. It is not good enough for the workings of this place to depend on one of us going off to get the advice that we want. The government of this country has a responsibility to ensure that the processes work properly. The Attorney-General has a responsibility to ensure that.

Turning to that advice, we have not seen it and we are not going to see it because we have been told that, first, it is private advice and, secondly, whatever advice the Attorney-General's Department might have got will not be made available to us. But the advice you get from a lawyer depends on the information you give. That is one of the basic factors. We do not know what information has been given to Christine Wheeler QC, if that is the lawyer Senator-designate Ferris got advice from—that is the person who has been mentioned by Senator Vanstone.

We do not know whether she got all the records of employment. We do not know whether she got, for instance, the documents that a member of staff has to fill out when they begin working for government as either a backbencher or a parliamentary secretary. We do not know whether she got all the records of travel that Senator-designate Ferris undertook. We also do not know what work records were shown to the lawyer.

We are not going to accept your advice, Senator Minchin, that this person spent a few weeks in your office but only got paid for three days and that is okay because the lawyer told you so. We cannot accept that because if we did we would be shirking our responsibility. We have to know what documentation went to the lawyers.

Government members interjecting—

The PRESIDENT—Order! There are too many interjections. Senator Bolkus has the call.

Senator BOLKUS—Laugh all you like, but until this matter is clarified you are going to be hanging, Senator Hill, and you in particular for your lack of leadership in this place. What has been established this morning is that Senator-designate Ferris held an office of profit.

Senator Minchin interjecting—

Senator BOLKUS—No, no. She got paid and she got benefits. Phil Cleary could have gone to the High Court and said, 'Look, whatever I got I will give back.' It would have cost Phil Cleary absolutely nothing to have done that because he got paid nothing, but the High Court still said, 'You don't have to have been paid anything.' In this case she was paid and she paid back. That makes Senator-designate Ferris much more culpable than Phil Cleary.

Senator Hill—You are jumping a big hurdle there.

Senator BOLKUS—Not at all. You see, Senator Hill, you have to divorce yourself from the personal interaction and take on—

Senator Hill—You are assuming a contract for a start, aren't you?

Senator Faulkner—Senator Hill is on your side. You know that, don't you?

Senator BOLKUS—What I do know is that much of the information the opposition is getting here, Senator Faulkner, is coming from the Liberal Party in South Australia.

The PRESIDENT—Senator Bolkus, please address your comments to the chair.

Senator BOLKUS—Let us go back to the three fundamental points. There is a real question over Senator-designate Ferris's capacity to hold her position in this place because of the legal advice the government has already given and because of the confirmation this morning that she in fact did work for Senator Minchin. Going by precedent—going by the Woods case and the Cleary case—there is a real question to answer here.

There is a question mark hanging over her capacity to take her place here.

Secondly, the question is: what do we do about it as a Senate? We have a responsibility to do something about it. We have to clarify this because not only is her position under question but also whatever votes she might participate in will be under question. This will happen in this particular case more than in other cases, because we know about her doubtful capacity to take her place here.

The Cleary and Woods cases were post-factum. The High Court held that the decisions were not tainted. But in this case the whole Senate is aware of the question mark hanging over Ferris's capacity to hold her position here and because of that any decision the Senate may take whilst she votes will be under question. Given the fact that we are talking about a one-vote difference between this side of parliament and the other on some votes, it is pretty critical.

Thirdly, Senator Hill, the Attorney-General and the Prime Minister have a responsibility to the parliament and to good government of this country. You have to meet it by producing the documents that we are asking for so we can all make the decisions, but you have to get your own advice from the Attorney-General's Department about this person's capacity to hold a position here by giving that department and the Solicitor-General all the documentation—

Senator Hill—Nick, you are getting a bit repetitive.

Senator BOLKUS—and making the department's advice available to us, Senator Hill. If you don't do that, you are showing a lack of leadership and you could very well be responsible for the constitutional crisis that might be occasioned because of that lack of leadership.

The same argument goes for the Attorney-General. The same argument goes for the first law officer of this country who also has a responsibility and it also goes for Mr Howard, who I know is fuming over two things—the ineptness of and the political stuff up by his parliamentary secretary and the intra-factional feuding that is going on in South Australia. I

will leave it at that. We are not happy with the statement this morning. Senator Minchin's statement this morning digs him into a ditch and also digs Senator-designate Ferris into a ditch.

Senator ROBERT RAY (Victoria) (9.59 a.m.)—First of all, may I say that it is of supreme indifference to the opposition as to whether Senator Ferris comes here or the No. 4 on the Liberal ticket gets up. It is going to be a loyal Liberal vote; therefore we have no direct self-interest in which one of those two people represents the state of South Australia for the next six years. I am pleased that Senator Bolkus has moved a substantive motion because it will give Senator Minchin a chance to respond to points that both Senator Bolkus and I make, and he needs to.

The first suspicious circumstance around this event was when Senator Vanstone was asked a question on this matter on 1 May. It took several weeks to get an answer to a very simple question. It even prompted us to ask the Assistant Treasurer (Senator Short), who is the minister representing the Minister for Administrative Services (Mr Jull) in this chamber, a question on this matter. We never got a complete answer. If you go to Senator Vanstone's additional answer the other day, she only skirted round the issues. She certainly at no stage answered the 'benefit' question: did Ms Ferris get a benefit? It is a case of the dog that did not bark.

Senator Bolkus—A Rottweiler couldn't bite.

Senator ROBERT RAY—Senator Bolkus, you are being unkind. There were several things left out in Senator Vanstone's answer. Senator Minchin, I think, may have seriously misled the Senate today, but I am not sure and he will have a chance to respond. He told us that Ms Ferris sought legal opinion. He did not say when. Note the sequence of events that he put forward: Ms Ferris seeks legal opinion and gets a tick; he then offers her a job; that later gets queried by someone in the Department of Administrative Services and sent across to Attorney-General's. Did Ms Ferris seek legal advice on this matter before 18 March?

If Ms Ferris did not seek legal advice, and I am not accusing her of anything, then Senator Minchin has badly misled the Senate today—by omission, not commission: by failing to put the sequence of events correctly. Surely if there was some doubt, Ms Ferris and a political professional like Senator Minchin would not have relied simply on one set of legal advice before making the appointment to staff, before writing to Mr Jull asking for Ms Ferris to be appointed. They are not that stupid. The only conclusion I can draw from that is that Ms Ferris had not sought legal advice until the Department of Administrative Services drew this matter to their attention.

Senator Minchin should answer that question here today, if he makes another contribution in this debate, because it is absolutely material to this debate. No-one—not Senator Minchin, Senator Vanstone or Senator Short—has yet put forward information as to whether Ms Ferris signed a work contract. Did she sign that six- or 10-page document that signed her up for the job? Maybe, maybe not. I cannot assert one or the other because it is possible—we all know this—for notification of appointment and for salary to start before the actual signing of a contract. But certainly if a contract is signed, then a job was held.

It is not just a question of 'Oh, well, on a better view, I have decided not to proceed with this job and I have decided to refund the salary and other expenses.' We do not know that. There is a whole series of information that has not been provided by Senator Vanstone, Senator Short or Senator Minchin.

As far as we are concerned there are two relevant aspects to this. Firstly, has there been a cover-up? We do not know. We can know that only if a motion later today forces the return of all documents so we can at least examine them. Secondly, there is the issue of Ms Ferris's self-interest which those on the other side should not dismiss too lightly. Because the outcome would not alter the party balance, there is not much incentive for us to take this matter to the High Court or anywhere else—but any citizen can. If Ms Ferris was to serve here for six months and then the case was taken to the High Court—

and it could be taken at any time over the next six years—Ms Ferris would be liable to pay compensation of \$100 a day to that person. As a cost, that has been massively devalued by inflation since the constitution was first put into effect, but even in these days, if you are here for 300 days at 100 bucks a day, that would amount to \$30,000. It would also raise the question of whether she would have to return the salary that she got in that time. What would happen to her superannuation? What would happen to all the other emoluments of office?

This would put pressure on this government to deal with one of its own through an act of grace payment. You should try to avoid that now. You should actually produce the documents and let a proper evaluation be done on those documents as to whether Mrs Ferris held an office of profit under the Crown or not.

As I said before, this issue sat in the Department of Administrative Services for 10 days before they sought legal advice. We do not know the nature of that legal advice; Senator Vanstone alluded to some of it in her answer yesterday but went on to restate the principle—and I found this really galling—that legal advice from one department to another was highly confidential. Well, shucks! Think of all those speeches she gave over on this side demanding legal opinions. Think of those return to orders that she supported for the tabling of legal opinions between departments. That monumental hypocrisy, however, will just be noted for the record and taken no further.

In summary, Senator Minchin's statement here today has not fully cleared up these matters. Senator Minchin has, for the first time, put on record that Ms Ferris was paid, something we did not know. But he did not say whether she had signed a work contract and whether that work contract had gone to the Department of Administrative Services. We would certainly like to know that. We would like to see, but cannot demand, the legal advice Ms Ferris was given from her QC. We would at least like the name of that QC to see whether it was an eminent QC or some party hack.

Senator Abetz—Like the Labor ones in New South Wales.

Senator ROBERT RAY—When I mention 'party hack' there is no need for you to identify yourself time and time again, Senator Abetz. I would even like to hear the analysis by my eminent legal colleague opposite of that QC's decision, and I seek his views on it, because I would think, he being a Tasmanian, that it would have some validity as he is not mixed up in the factional brawling in South Australia.

Senator Faulkner—That's not what I hear.

Senator ROBERT RAY—That's not what you hear, Senator Faulkner? We would like to see that legal opinion and we would like to evaluate it, provided it has nothing in it that is confidential. I cannot imagine that it would. Senator Minchin has said that Ms Ferris sought this legal opinion. Presumably, she paid for this legal opinion. Let's see it. Why not table it? It is not a confidential document between departments. It is a document that went to Ms Ferris, and we should be able to see it.

The best summary of this, as Senator Bolkus has said, is that this matter needs to be cleared up. It can be cleared up by the release of all documents—I am not going to anticipate a debate later on—at some stage so that we can make an evaluation. But if we just let this matter slide, if we take no action on it at all, we cannot guarantee that someone else will not take action. As I understand it, under section 44 any Australian citizen can take a matter of this nature to the High Court. Indeed, if it is an office of profit matter, they can claim \$100 a day from the offending person. As far as the Labor Party is concerned, there will be a senator-designate from South Australia representing the Liberal Party, so it will not affect the numbers in this chamber.

One thing that Senator Minchin's statement has shown us here today is that his professed image—carefully cultivated in the media—of the political professional, the ultimate Liberal apparatchik, has quickly metamorphosed to that of utter buffoon. No-one else in this chamber would have fallen for this. I am looking at my colleague from Victoria. Imag-

ine him appointing a senator-designate to his staff. He would never do it. He is too professional. He does have the intense political background of machine politics that Senator Minchin has, yet he has an innate caution, an innate ability to know never to do such and outrageous and stupid act as that which Senator Minchin has done. I am sure it was only inadvertent that Senator Minchin could have put in jeopardy the career of Senator-designate Ferris.

Senator Sherry—And his own.

Senator ROBERT RAY—Senator Sherry has so hastily and cruelly added that Senator Minchin may have put in jeopardy his own career. I am certain that the Prime Minister (Mr Howard) is looking across at the oodles of parliamentary secretaries and is looking at the various weak ministers saying, 'Why not knock one or two of them off for poor performance? Who will I send up the greasy pole?' When it comes to the telephone call, if I were Senator Minchin, I would go out into the garden, because it is going to be an awfully long wait.

Senator Minchin's statement today still leaves a lot of unanswered questions, as does Senator Vanstone's. Those questions can be easily answered, and they might as well be. It does not affect us on this side of the chamber, and the only difference it makes to the other side of the chamber is which senator-elect—the third or the fourth candidate on the ticket—is going to come in here. Those opposite might as well clean this up and get it out of the road.

Mr Acting Deputy President, if there is some subtlety I do not understand here, you or someone else might be able to explain it to me. Maybe there is a big difference in ability between the third and fourth candidate. Maybe they do have philosophical differences—sometimes great—back on the body politic of the coalition. I do not know these things, and I am not interested in these things. I am sure these internal difficulties have nothing to do with the information that is constantly being supplied to the opposition on these matters. I am sure that the Leader of the Government in the Senate, Senator Hill, left his seat at the table not because he did not

want to hear of these things but to negotiate a prevention of the return to order that will come up for debate later today.

Senator Minchin does have the opportunity—even now on this substantive motion—to respond to the questions that have been raised. When was the legal advice sought by Ms Ferris? Did Senator Minchin get the sequence right in his speech this morning? Will that advice be made available, seeing that it is not confidential to departments? Did Senator-elect Ferris sign a work contract and, if so, can it be produced? A response to all those questions would go a lot further to elucidating this matter.

Senator SCHACHT (South Australia) (10.12 a.m.)—I want to say a few words about this case. I was watching the broadcast of the Senate this morning when Senator Minchin got up and made his statement. I listened carefully, in view of the public controversy about this issue—the press reports and so on—and the line being fed to the media from the Liberal Party that there was no problem with the appointment of Senator-designate Ferris to the Senate.

I then heard Senator Minchin having to admit that Senator-designate Ferris had received payment for three days which she subsequently repaid, and that she had received travel allowance which she subsequently repaid. As my colleagues Senator Bolkus and Senator Ray have pointed out, that is the most germane new information we have received today: money was actually received.

I do not profess to have a legal background; however, ordinary Australians would understand that she received payment. That is an office of profit. She paid the money back afterwards. But ordinary Australians would say that you can't rob the bank and then, when you get caught out, pay the money back and say, 'I'm free.' Once you receive the payment, you have accepted a contractual obligation. Senator Ray has quite rightly pointed out that we would like to see whether she actually signed a document.

Senator Sherry—Even without a document.

Senator SCHACHT—Even without a document there is a contractual obligation. But Senator Ray has quite rightly asked whether she signed an application form for the job and, if so, whether we can see it. The line being pushed that Senator-elect Ferris had no problem has this morning blown up because of that one statement admitted to by Senator Minchin today.

As a South Australian senator, I agree with Senator Robert Ray: it is of no concern to us who the Liberal Party representative is. If Senator-elect Ferris gets bowled out by the High Court, another Liberal, Senator-elect Kourtesis, will come in and will vote with the Liberal Party on every division in here, and the numbers will be exactly the same. If Senator-elect Ferris stays and starts voting, as Senator Bolkus points out, some very interesting constitutional issues may have to be dealt with by the High Court.

But what is really going on in South Australia, and which has not been mentioned here, is an extraordinary internal eruption in the state Liberal Party over this issue. What we have here is a fight between the two factions.

Senator Sherry—A power struggle.

Senator SCHACHT—That is right. Senator-designate Ferris represents the conservative faction. Senator Minchin, Senator Ferguson, Senator Alston, Mr Dale Baker—the sacked minister for agriculture in South Australia that Ms Ferris used to work for—Senator Grant Chapman, Mr McLachlan and Mr Downer are all in the same conservative faction.

Ms Ferris won the numbers for preselection. But, as John Ferguson, the political reporter for the *Adelaide Advertiser*, wrote last Saturday, he has been lobbied by various forces within the Liberal Party to get Ferris out of this place. Why? If she gets knocked off, even before she gets here, who will replace her? It will be No. 4 on the Senate ticket, Senator Kourtesis—

Senator Faulkner—She is not a senator yet.

Senator SCHACHT—Senate candidate Kourtesis, I should say, who is from the

moderate faction supported by Senator Vanstone, Chris Pyne the member for Sturt, Senator Hill, Mr Brown the Premier of South Australia, and Joan Hall.

Senator Bolkus—I hope she's not working for one of them.

Senator SCHACHT—Yes, she'd better make sure she has no office of profit under the Crown at the moment because she also might have to rule herself out. As shown in the article in the *Adelaide Advertiser* of 18 May, this whole issue of whether Senator-designate Ferris is eligible to be in this place has been blown up by one faction within the Liberal Party in South Australia.

Senator Faulkner—Is that Senator Hill's faction?

Senator SCHACHT—Yes, it is. It is the payback for Senator Hill—

Senator Faulkner—Is that Senator Vanstone's faction?

Senator SCHACHT—Yes.

Senator Faulkner—It's not Senator Ferguson's faction?

Senator SCHACHT—No.

Senator Faulkner—It's not Senator Chapman's faction?

Senator SCHACHT—No, but Vicki Chapman, the ex-state president of the Liberal Party in South Australia, a moderate, is quoted in this article—

Senator Faulkner—It's not Senator Minchin's faction?

Senator SCHACHT—No.

Senator Faulkner—I am just trying to get it right.

Senator SCHACHT—They are all there, fighting with each other. This article shows that the payback is on for the Boothby preselection when Senator Hill did not make it into the lower house, being beaten by the conservatives. One of the people who helped defeat him in that preselection was Mr Mark Brindal, the state member for Unley, a state seat in the Boothby federal electorate. He is now being challenged by the moderates for his preselection for the next state round.

It is also a payback for Dean Brown. He sacked Dale Baker for whom Senator-designate Ferris used to work. This is part of the whole fight that is going on. In this article of 18 May—

Senator Faulkner—Could you explain how Senator Teague fits into this?

Senator SCHACHT—He is a departing senator who was going to get rolled in the Senate preselection. He is a moderate, a very small 'l' liberal, a strong advocate of an Australian president and republic—

Senator Faulkner—So it is from Senator Teague's faction?

Senator SCHACHT—Yes, but in this article we see that at a recent meeting of the Liberal Party state executive, Vicki Chapman openly disputed who should pay for any legal costs from this issue. One line being pushed to undermine Ms Ferris is that the state branch faces a bill of \$200,000 in legal costs because the matter 'inevitably will go to the High Court'. That is the sort of stuff that is being leaked. This is how this matter is being fought out between the two factions in South Australia. As Senator Robert Ray simply but effectively put it: Senator Minchin, the hard-headed former apparatchik and state director of the Liberal Party in South Australia—and I identify myself as being a former apparatchik of the Labor Party—

Senator Faulkner—A very honourable profession.

Senator SCHACHT—Yes, except that Senator Minchin has dishonoured our profession by being such a dope as not to realise what he was doing in employing Senator Ferris on his staff. Some of the dishonour may even have smeared us, Senator Faulkner. You and I have both held full-time party positions.

It is quite clear that this issue of whether Senator-designate Ferris is eligible to take her seat in the Senate has blown up because forces in the Liberal Party in South Australia have leaked it to the media, making sure that it has gone out around the place so that she can be knocked off and the moderate faction's candidate can replace her and join the moderate faction here.

That all makes no difference because it will be just another Liberal vote on the other side. But what we have heard from Senator Minchin today is further evidence that this issue has not gone away. As John Ferguson said in his article:

The jockeying comes despite indications that Ms Ferris will be cleared of any wrongdoing, although this will not become known until next week.

Senator Minchin's statement today indicates that John Ferguson was given the wrong line by the conservatives. There is now an absolute admission that Ms Ferris received payment of three days salary and an unknown amount for travel allowance. Both payments, under any definition, indicate an office of profit under the Crown.

That is a matter about which two of my Senate colleagues have requested information so that it can be dealt with. No matter how hard the government tries to hide this and hopes that it will go away, it only needs one citizen—who, I suspect, will be a moderate in the Liberal Party in South Australia—to challenge this in the High Court and Senator-designate Ferris will not make it into this chamber or, if she does, she will be ruled out.

Senator Faulkner—Mr Acting Deputy President, I rise on a point of order. I notice that there is no minister in his seat in this chamber.

Senator Knowles—The minister is here.

Senator Faulkner—I did not see him. I notice that Senator Minchin has left the chamber also.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—That is not a point of order, Senator Faulkner. As you well know, that is a debating point—a fairly cheap one.

Senator SCHACHT—I want to conclude by quoting an authority about the position of whether Senator-elect Ferris is eligible to sit in this chamber. People may be surprised that I would quote from Odgers on parliamentary procedure because in the past I have never been a great devotee of Odgers or suggested that we should accept his views as absolute precedent on everything. However, I draw the attention of Senator Minchin in particular to a passage on page 629 of the fifth edition of

Odgers. I think this is really something that Senator Minchin is going to have to take account of, as is the government. It says:

As this is a question which remains to be answered, the Public Service Board does not wish at this stage to attempt to formulate a precise policy on the re-employment in the Public Service of a Senator-elect. Whilst the Board would be willing to examine the circumstances of any case and when it arises from a specific application by a Senator-elect for employment, you should know that it doubts the desirability of a Senator-elect being employed in the Public Service.

That is advice received from the Public Service Board contained in the fifth edition of *Odgers' Australian Senate Practice*. The conservative side of politics is always willing to quote Odgers up hill and down dale; Odgers is the *Bible* about how this place ought to operate. Odgers himself gives strength to the view that it is undesirable that a senator-designate be employed by the public sector.

Senator McGauran interjecting—

Senator SCHACHT—I would not give this advice, Senator McGauran. Odgers would not have written this if he did not think there was a great big doubt about it, and now we have before us evidence from Senator Minchin that money was paid to Senator-designate Ferris. Therefore, I believe this issue that has come up today has to be resolved by the government. If they try to put it off, they will only get themselves deeper in the mire and, if it goes past 30 June, they will put themselves in doubt about the constitutionality of one of their own senators voting in this place.

Question resolved in the affirmative.

ORDER OF BUSINESS

Schizophrenia Awareness Week

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

That general business notice of motion No. 62 standing in the name of Senator Forshaw for this day, relating to Schizophrenia Awareness Week, be postponed till the next day of sitting.

SPACE SHUTTLE ENDEAVOUR

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

That the Senate—

- (a) notes the successful launch of the National Aeronautical Space Agency (NASA) shuttle

Endeavour, the 77th flight of the NASA shuttle series;

- (b) congratulates Adelaide-born Dr Andrew Thomas, Australia's second astronaut, and its first astronaut to command a space mission, on his history-making flight;
- (c) sends its best wishes for the successful completion of the mission and safe return to Earth; and
- (d) thanks the citizens of Adelaide for 'turning on the lights' between 8 pm and 10 pm on Sunday night, the time when the *Endeavour* flew over the city, to show support for their local hero.

COALITION: ELECTION COMMITMENTS

Senator SHERRY (Tasmania—Deputy Leader of the Opposition in the Senate)—I ask that general business notice of motion No. 49, standing in my name and relating to an order for production of documents, be taken as formal.

Leave not granted.

Suspension of Standing Orders

Senator SHERRY (Tasmania—Deputy Leader of the Opposition in the Senate) (10.27 a.m.)—At the request of the Leader of the Opposition in the Senate (Senator Faulkner) and pursuant to contingent notice, I move:

That so much of the standing orders be suspended as would prevent Senator Faulkner moving a motion relating to the conduct of the business of the Senate, namely a motion to give precedence to general business notice of motion No. 49.

Senator SHORT (Victoria—Assistant Treasurer) (10.28 a.m.)—I am not wishing to truncate you but I just say that, on behalf of the government, we will be opposing the substantive motion that Senator Sherry is seeking to suspend standing orders to debate. It is a whole exercise in the frustration of the proper business of the Senate. We will not be adding it to that by debating the motion, as I think Senator Sherry has the numbers to suspend standing orders. So why don't we get on to the debate itself?

Question resolved in the affirmative.

Procedural Motion

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

That general business notice of motion No. 49 may be moved immediately and have precedence over all other business today till determined.

Motion

Senator SHERRY (Tasmania—Deputy Leader of the Opposition in the Senate) (10.29 a.m.)—I move:

That there be laid on the table, no later than 4 pm on 30 May 1996, all documents prepared by the Department of the Treasury and the Department of Finance, including since 2 March 1996, regarding their analyses of the costing of the Coalition's election commitments, encompassing both spending commitments and saving commitments.

Firstly, I will just inform the Senate that notice of motion No. 49 relates to the tabling by the government of documents prepared by the Department of the Treasury and the Department of Finance since 2 March 1996 regarding their analyses of the costing of the coalition's election commitments encompassing both spending commitments and saving commitments. It also states that these documents be tabled no later than 4 p.m. on 30 May 1996.

For a number of reasons that I am going to outline, this is an important motion for the Senate to consider. Before I do that, though, I will place on the record the fact that Senator Short contacted me earlier in the week and we had a meeting to discuss the nature of the documents that the opposition and the other parties who will be supporting this motion would require. I acknowledge the fact that a meeting has taken place with Senator Short. I thank him for making himself available to discuss this matter. Despite that meeting, the opposition still intends to pursue the call for the production of all documents relating to the election commitments of the coalition in respect of both spending and saving.

There are two broad arguments for pursuing this course. Firstly, there is a clear matter of principle. That is the principle that, if the Senate and the parliament are to be able to carry out their functions properly, analysing the financial affairs of the country, particularly in the lead-up to what, by the government's own admission, will be sweeping budget cuts—they propose sweeping changes for the financial affairs of this country—it is very important that the Senate have the full range

of information before it to determine its position on the proposals of the new government.

The position I am putting to the Senate is not inconsistent with that put by Senator Short on a number of occasions when he has addressed the Senate on this issue. I do not think he would be surprised if, in this case, I refer to the *Hansard* of 7 September 1993. Senator Short said this to us when we were in government:

If this parliament and this Senate are to properly do their job of analysing and considering, on behalf of the Australian people, the implications of the 1993 budget—a budget that has never been exceeded in terms of the degree of public disquiet and disgust—

Whilst I do not agree with Senator Short's comments about our 1993 budget, whether it is a budget that may or may not be controversial in terms of the speculation leading up to it or the contents of the budget after it has been announced, it is still important for the Senate to have a full range of information to analyse the lead-up to the budget preparations.

There is a second series of reasons why the opposition is particularly keen to have the material that is being sought. That is the quite wrongful campaign the government has been engaged in: this allegation about a so-called \$8 billion black hole. I do not want to waste the time of the Senate unnecessarily, so I am only going to touch on this matter relatively briefly. I have touched on it on a number of occasions previously. The government is engaged in a campaign of duplicity, a misleading campaign about this so-called \$8 billion hole. I will make my comments fairly briefly in the interests of the government's program; we do not want to take too much time on this issue.

Senator Short—Ha, ha.

Senator Knowles—Ha, ha.

Senator SHERRY—Well, you can laugh. I will take the full half-hour if you like. Don't complain about delays in government business.

Senator Short—You reckon this isn't an exercise in delay?

Senator SHERRY—If you don't want me to be cooperative in the interests of the

government program and deal with this matter relatively briefly, then I am happy to oblige you and speak for a full half-hour on the deceptions that you have been engaged in since you were elected.

Despite the provocation from the government, urging me to take up the time of the Senate and delay their own program, I have a couple of points about the \$8 billion cuts, the cuts so-called, to cover the budget deficit and the black hole. Ninety per cent of the bottom line forecast is due to changes in forecasts by Treasury and Finance. In other words, it is not a so-called black hole that has already occurred or that we know is going to occur with absolute surety. It is as a result of changed budget circumstance brought about by changes in forecasts.

Those changes include changes to projected economic growth over the next two financial years. The government will still not tell us what will happen if those projections are wrong. As a rough rule of thumb, if there is a one per cent fall in gross domestic product that cuts government revenue by about \$1.5 billion. That makes a considerable difference. The other factor affecting the projections on budget forecasts is weaker employment growth.

To return to the motion directly, what concerns us is the problem the government has in this campaign of misinformation: it wants to fund its election promises. It is denying that these proposed budget cuts that it is currently engaging in and leading up to in the budget are in any way to fund the election promises of the opposition. That is a very important reason why we need the production of these documents.

We need to know in detail up-to-date costings of the coalition's election commitments, both spending and saving commitments. We believe that this current campaign of attempting to blame us for this so-called black hole is a subterfuge in order for them to meet their own unfunded and extravagant election promises.

In the lead-up to the election the then opposition made a significant number of commitments, some of them grossly irresponsible. We believe that the coalition promises,

which will total \$6.8 billion over the next three years with a pretend \$8.9 billion savings offset, are simply not achievable. We believe there is a good deal of inaccuracy in what the then opposition claimed in the lead-up to the election.

It is interesting that the Prime Minister, Mr Howard, has pointedly failed to rule out using any of the so-called \$8 billion of cuts that the new government is saying they are going to make. He is pointedly ruling out using these cuts to pay for coalition pre-election promises, so this motion is very important in that context.

I would like to put the so-called \$8 billion into some sort of perspective and remind the Senate and the people of Australia who may be listening to this broadcast that when Mr Howard left office as Treasurer in 1983 the projected deficit was \$9.6 billion, and that is in 1983 dollars. If you change that to today's dollar values Mr Howard left us with a projected deficit of \$24.5 billion, about five per cent of gross domestic product.

It is very important that these documents be produced. I am sure Senator Hill will argue that there is a range of documents that should not be produced, and he wants us to rule out the production of a variety of documents. We will see what the government produces in terms of these documents. I am sure we will be debating this issue again, so I do not want to take up the time of the Senate unnecessarily. As I said when I started this speech, we appreciate the meeting we had with Senator Hill. I do put that on the record.

Senator Short—Short.

Senator SHERRY—Sorry, with Senator Short. We do not believe it is appropriate to rule out by way of any form of amendment to this motion any form of documents at this point in time. Once documents are produced I am sure we will have another debate about this matter. I have not wanted to unnecessarily keep the Senate, nor indeed to hold up the business of the government as, I would have to say, they did when we were in government.

I would urge the Senate to support general business notice of motion No. 49, which I have moved here today, for two basic reasons.

Firstly, with the role the Senate plays in budget preparation, it needs to have a very detailed financial analysis of the government's financial commitments as well as an issue of principle—a principle that Senator Short has spoken on and favoured in the past. Secondly, with the campaign of misinformation, which we refer to as 'Costello's con', over this \$8 billion budget issue, the Senate needs to be able to scrutinise the government's election promises to ensure that these cuts being projected and made are not being used to fund the coalition's election promises, particularly given that it is simply not able to achieve the savings it believed it could make.

Senator SHORT (Victoria—Assistant Treasurer) (10.42 a.m.)—The starting point for the government in matters such as this is that it wants to cooperate with the Senate wherever it is proper and reasonable to do so, including producing documents which are appropriate to be in the public domain through the Senate and which are important for the proper processes of parliamentary scrutiny of the activities of government. That is where we start from.

I have to but regret to say that Senator Sherry's motion, which is now before the Senate, is not a proper and reasonable request. It is a trawling expedition, a fishing expedition to basically attempt to frustrate the normal proper functioning of the Senate. It is a very loosely worded motion.

For example, just to pick one aspect of it, the motion says amongst other things that it seeks the presentation to the Senate of all documents regarding the analyses by the Department of the Treasury and the Department of Finance of the coalition's election commitments. In that wording, does it exclude or include the actual calculations on which the subsequent analysis is based? Senator Sherry would say, 'Yes, it does include those calculations,' but it is an example of the loose wording with which this motion has been drafted.

It is also interesting, I find, to note that the motion calls only for documents relating to the analyses of the coalition's election commitments. There is no mention at all of bringing forward, for the parliament to have

a look at, the costings that were made of the Democrats' proposals—or of the Greens', for that matter.

Senator Knowles—Why is that?

Senator SHORT—One can very rightly ask, as Senator Knowles says, why? I think the answer has been all too evident in the three weeks or so that the new parliament has been operating: that is, the Democrats essentially are acting at the moment as the left wing of the Labor Party. That, I am sure, is the essential reason the opposition has not called for any costings of those Democrats' promises which, had they been fulfilled, would have absolutely blown the economy out of the water.

Senator Sherry—They are not in government.

Senator SHORT—Well, Senator Sherry might explain to us why the motion is restricted only to the coalition's commitments. But I do not want to dwell on that; I just make the point. As Senator Sherry has acknowledged—and I thank him for doing so—I contacted him earlier in the week to discuss the wording of his motion and to put to him what I have just said to the Senate. That is, that we wish to be as cooperative as possible, but that we had some major problems with his wording and with the weaknesses that we saw in the motion. I took him through all of that. I told him what we could provide within the framework of longstanding convention in this place—and I will come back to that.

I suggested to Senator Sherry—and I think he had in mind to do this anyway—that, as he has never had ministerial experience, he go and talk with others on the Labor side who did have ministerial experience, and experience in these matters, to see what they thought about it. I suggested that, in particular, he go and have a talk with the former Treasurer, Mr Willis, and with the former Minister for Finance and now Leader of the Opposition (Mr Beazley). In the light of that, I suggested, he might wish to modify the wording to take account of longstanding convention and principle in this place.

I do not know whether Senator Sherry took up my suggestion which I think had also been

his own inclination. But the net result is that he has refused to alter the wording in ways that he knows—because I told him so—would enable us to support his motion. The only conclusion I can draw is that he has refused, quite deliberately, to make this wording change to make the motion acceptable to us. It would appear that he has deliberately chosen to be uncooperative, and to be obstructive, to disrupt the operations of the Senate. I think that is really what it is all about—to frustrate the government in its desire to see the Senate act in the legislating manner and get on with the government's business in the way that the Australian public, quite rightly and totally, expects it to do.

I would have to say that it is somewhat hypocritical—at least in my impression of what has been said—for Senator Sherry to say that he is full of virtue and that he is coming here—

Senator Sherry—I didn't say that.

Senator SHORT—No, but Senator Sherry said that he was coming here as a matter of principle—that this whole thing was a very important matter of principle. That just flies in the face of the conduct of the former government when it was in office. Let me just quote a few things to Senator Sherry. They are quotes that I very strongly agree with—

Senator Sherry—You didn't then, though.

Senator SHORT—I did not often agree with the former government and its ministers, but there were a few things here and there that I did agree with. For example, I agreed with what then Senator Gareth Evans said when he was responding to a request from the then opposition—namely, the coalition—to produce some material in relation to the pay TV issue. I quote from *Hansard* of 20 May 1993 when the then Senator Evans said:

... it is not just a matter obviously of retrieving and putting into a single pile all the documents that satisfy this description. It is a matter, in accordance with the time-honoured procedures and practices of this place on which I have had occasion to rely on various occasions, perfectly understood and accepted that there are legitimate grounds for non-disclosure.

He went on to say:

I do not seek to identify now all possible grounds that might be relied upon or might be relevant to

these particular documents, but there are manifestly at least three: Cabinet-in-confidence, commercial-in-confidence, and documents, the nature of which or the nature of parts of which may adversely impact on the conduct of legal proceedings, or prejudice any party to legal proceedings.

A couple of years later, in a debate concerning a request from the then opposition to produce documentation in relation to logging and woodchipping—and I refer to *Hansard* of 9 February 1995—then Senator Evans also said:

I inform the Senate that some documents that fall within the class encompassed by Senator Gibson's order have not been included in the documents I am tabling. These are: copies of legal advices prepared by—

and he mentioned various departments—

... and advice prepared by senior officers of the Department of the Prime Minister and Cabinet for the Prime Minister to consider in handling the issue. It is the government's view that such advice which sets out alternative courses of action for the Prime Minister to consider should remain confidential to the government.

They are statements by then Senator Evans which make it quite clear that the then government took the view that there are certain documents which it is not proper to produce in response to motions such as the motion by Senator Sherry today. And I agree with those statements.

Let me just give the Senate some more examples. I refer to a debate we had on a return to order put forward by the then opposition, the coalition—in fact put forward by me, I think—on 7 December 1992 in relation to getting some material from the Treasury regarding work they had been doing then on the coalition's Fightback proposals. In the course of that debate, then Senator McMullan said:

Let us talk about whether or not it is proper, as a matter of public policy, to seek to require that a document be tabled when it is quite clearly against the national interest that it be tabled. It is not a question of the Government having put its arm into the bureaucratic process and required that a document that normally would be made public be not made public. It is the very opposite.

He went on to say, and I endorse this in the strongest possible terms:

It is very important that we—as a chamber of the Parliament; as representatives of Australia—make

responsible decisions with a long term view rather than irresponsible decisions in the fervent hope that some short term benefit may flow. In my view, that clearly is what would be involved in the release of this document, and that is why the Government will not be supporting either the suspension or the motion.

I say 'amen' to that because it is absolutely in line with the views that we take about many—not all—of the documents that we would be required to produce to the Senate should Senator Sherry's motion as now worded be adopted. So we have some fairly strong precedent from the now opposition for the view that we are taking.

I would like now to briefly detail the various categories of documents that Senator Sherry's motion, taken literally, involves. First of all, he is seeking documents created before the coalition came into government. He is also seeking any documents prepared since the government came into office on 2 March.

So far as the documents created before the coalition came into government are concerned, there are various categories. Firstly, there are documents that were published by the previous government. Of course, we would be fully prepared to table any such documents. It would be right and proper for us to do so; it would be improper for us not to do so.

The second category includes documents provided to ministers of the previous government—in other words, to ministers of the government of which Senator Sherry was a member. There is a longstanding convention relating to these documents which is that subsequent governments should not have access to advice provided to a previous government relating to the deliberative processes of government. Yet Senator Sherry is asking us to table documents that, by longstanding convention, we do not have access to at all.

What he ought to be doing in relation to those documents is seeking that the former Treasurer, Mr Willis, and the former Minister for Finance, Mr Beazley, receive those documents. It is right and proper and according to convention that they receive those documents, and then it is a matter for them what they want to do with the documents. They are their

documents, not ours, and if they want then to give them to Senator Sherry to table in this place, or to do what he likes with them, then it is entirely a matter for them. It is not a matter for us because we do not have access to them.

There are also documents that I am advised were not provided to the ministers of the former Labor government. Again I am advised that the longstanding convention is that such documents would not be made available to current ministers where these documents are deliberative in nature. Documents that may be non-deliberative in nature, factual-type documents of a non-sensitive nature, could be tabled, and it is possible—I am advised by Treasury and Finance—that there may be some documents of that nature.

The fourth category involves documents that were created before the coalition came into government and includes briefings that were prepared for the incoming government, the material contained in the so-called 'blue book'. As I understood from my conversation with Senator Sherry earlier this week—though I may have misunderstood him—it is certainly longstanding convention that those documents not be made public. I think that is in everyone's interests—those of the present government, of potential future governments, and the public as a whole.

They are the four categories of documents, all of which Senator Sherry's motion requires us to produce. I think it is quite clear from what I have said that it would be quite improper, and it would breach and flout longstanding convention, for the government to accede to all of those requests.

As well, there is a series of documents that have been created since the election of 2 March. The first category includes documents created for the purpose of advising ministers on cabinet matters. That includes cabinet documents and material relating to cabinet documents such as ministerial briefs and the like. In the past there has never been any argument at all raised against the exemption of such documents from public release. When Labor was in office they refused to present such documents to the parliament, and we accepted that convention, so I would expect

that Senator Sherry and the now Labor opposition would follow a similar convention because to do otherwise would create—I put it to him and to the Senate—very serious problems indeed.

The second category created since the election for the areas of Treasury and Finance relates to documents that have been created to advise ministers outside the cabinet context, but I am advised that all of them relate to the whole question of budget process, deliberations and preparations. It is a longstanding convention, and I thought it was accepted on all sides of the parliament, that documents of that nature, particularly in the lead-up to the budget, would not be made public. I would suggest, through you, Madam Acting Deputy President, to Senator Sherry that he would have to agree with that proposition. He can correct me if I am wrong.

The third category of documents contains internal working calculations that are used to support the last two categories that I have mentioned. Again, longstanding convention and commonsense would indicate that all such internal working calculations documents prepared for those purposes would also be withheld, for the reasons that I have outlined.

I have tried to explain rationally, dispassionately and accurately the reasons why we have great concern with Senator Sherry's motion. It will not be possible for the government to comply with all the terms of the motion. We regret that because, as I said at the outset, we want to cooperate wherever possible with the Senate in reasonable requests. But this is not a reasonable request. It would have been had Senator Sherry been prepared to modify his motion following the meeting of some length we held earlier this week.

If Senator Sherry has consulted with his former ministerial colleagues—which is what I thought he was going to do—then I am very surprised that they may have given him advice to go ahead with this motion without making any changes.

Senator Kemp—It is just a waste of time.

Senator SHORT—It is a process, as Senator Kemp has said, in deliberate time

wasting, in trying to frustrate the legitimate aspirations of the government to progress the work of government through the parliament in the interests of the Australian people, who elected us so overwhelmingly on 2 March. That is all I want to say about that.

For all the reasons I have given, I would like to avoid a division on this and get on with business. But it is because it is such an important issue and involves a matter of principle that we will be dividing on it.

I am surprised at Senator Sherry because it was not really apropos of the motion that he chose to raise the issue of the Beazley \$8 billion black hole. But he did. He said that it was all a bit of a con, and so on. That is absolute nonsense. The figures that were provided to the incoming government two days after the election show that, on the basis of the then government's own forecasts and projections on a no-policy change basis, Australia is facing an underlying deficit of \$7.64 billion in its national budget for 1996-97.

Yet right through the election campaign, the government denied that anything was wrong with the books. Senior Labor ministers, from the former Prime Minister down, including—this is perhaps the most disgraceful part of all—the then Minister for Finance and now Leader of the Opposition, said that the books were in balance, were moving into surplus and would progressively move into surplus. Given that we found out about the situation two days after the election—so the information was available to him before the election—it can be seen that the former Minister for Finance knew full well that, as a result of what I assume was mismanagement and incompetence, the government had let the finances of this nation slip to such a disastrously dangerous deficit position.

The Labor government went right through the election campaign on the basis of lies and a complete deceit and refusal to be honest with the Australian public. That is one of the legacies that will hang very heavily around the neck of the Labor Party for many years to come. No longer is the Australian public able to believe one word that the Labor Party says by way of commitments and promises. In-

deed, this has been the case for many years now.

The other sad thing is that the now shadow Treasurer, and former Leader of the Government in the Senate, Mr Gareth Evans, in the House of Representatives just two days ago said that the \$8 billion deficit is not really a problem. He posed this rhetorical question:

How come the budget is not in better shape after 4½ years of sustained growth?

He answered:

Let me answer it by saying it is not a product of mismanagement in any sense; rather, it is a product of deliberate policy choice.

In other words, the now shadow Treasurer is saying that Labor put the finances of this country into a disastrous situation not by mismanagement—I disagree with him there; there was a big element of mismanagement—but by deliberately choosing policy paths that would lead to that.

In terms of the appropriateness of this motion, we should look at the hypocrisy with which it was put forward and the fact that Senator Sherry was quite unprepared to modify it in a way that he knew would enable it to go through without debate. If he had done so, we would not have had this debate and he would have got a reasonable and proper response to the request for the return to order. For all of those reasons, on behalf of the government, I very strongly say that we will be opposing this motion.

Senator MARGETTS (Western Australia) (11.08 a.m.)—It is really interesting to see the opposition now calling for documents that we all know, from our experience in the last 13 years, they would not have provided themselves. However, the Greens' position has always been that we believe in open government. Basically, in that sense, as per our principles, we are prepared to support this motion.

We have not got involved much with the discussion about whether or not \$8 billion is a real figure. But it was interesting to see that yesterday it was stated that one of the most important reasons the government has to sell part of Telstra is because they need to get more than \$7 billion to pay back the hole in

the public debt. They will get \$8 billion from cutting expenditure over the next couple of years, plus the \$7 billion or so from selling Telstra. That works out to be over \$15 billion. I am wondering what you are going to do with the other \$7 billion if you got everything that you say you need to do right now.

There seems to be a bit of double counting going on here. I am wondering how you are going to justify the urgency of selling part of Telstra on the basis that you are already saying that you need to cut \$8 billion from your expenditure. I thought I would throw that in because there just seems to be a problem with your adding up. We will support the motion.

Senator SHERRY (Tasmania—Deputy Leader of the Opposition in the Senate) (11.10 a.m.)—In concluding the debate—

Senator Kemp—Just wasting more time.

Senator SHERRY—I am not going to waste the time of the Senate.

Senator Kemp—You already have.

Senator SHERRY—From somebody who claims that I waste the time of the Senate, given your record, that is an interesting comment. I wish to make a point about the Senate's time. I think I spoke for 12 or 13 minutes. Senator Short spoke for 25 minutes. I think that speaks for itself. I accept that Senator Short had to make some points. In terms of the meeting I had with Senator Short, he went through the list of points he has raised here today, but I made it very clear that I would have to consult further and I was not necessarily accepting the points he was making.

Finally, I wish to ask why the government is so nervous about providing costings on its promises. Senator Kemp is nodding his head. He heard himself say this before when he was in opposition. The government is nervous. It is engaged in this deception—Costello's con. We have heard allegations about an \$8 billion hole. They do not know whether they can fund their election promises and they do not know whether they can meet their commitments in terms of reductions.

Senator Kemp interjecting—

Senator SHERRY—Is Telstra going to fund the budget? That will be interesting if the Telstra sale funds the budget. There are a range of difficulties that the new government is faced with, not as a consequence of our activities but as a consequence of your own promises and commitments made that you cannot meet. I have already referred to that in detail in my earlier response.

We have a cover-up here. We have a new government. We have already seen some fascinating examples from Senator Vanstone in the Senate chamber at question time. She is proposing cuts to the budget of the vice-chancellors. This sort of information is quite critical to developing our approach to the budget.

I reiterate that it is not a matter of wasting time. I personally spent far less time on this debate, for example, than Senator Short. I just wish to make that very clear. I am not a person who believes that you take the entire half an hour of your time. There is far too much repetition in this place at times.

Senator Kemp—Well, sit down then, Nick.

Senator SHERRY—I am going to sit down. I said I would take a couple of minutes. I do not intend to repeat myself, unlike the record you set for yourself in government. I would love to go back and count the endless hours wasted. Only this morning we were talking about points of order taken in question time. Twelve points of order were taken in question time. I think Senator Kemp broke the record. I think he took seven in one question time. It was just incredible what occurred when you were in opposition. Do not prompt me to remind the Senate of your record, Senator Kemp. I will conclude the debate.

Question put:

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

[11.18 a.m.]

A division having been called—

Senator Teague—Mr President, the bells are not ringing.

The PRESIDENT—There is a difficulty with the bells. It is being fixed, we hope.

(The President—Senator the Hon. Michael Beahan)

| | |
|--------------------|----|
| Ayes | 33 |
| Noes | 27 |
| Majority | 6 |

AYES

- | | |
|------------------|--------------------|
| Beahan, M. E. | Bell, R. J. |
| Bolkus, N. | Bourne, V. |
| Chamarette, C. | Childs, B. K. |
| Coates, J. | Collins, J. M. A. |
| Collins, R. L. | Colston, M. A. |
| Conroy, S. * | Cook, P. F. S. |
| Crowley, R. A. | Denman, K. J. |
| Evans, C. V. | Foreman, D. J. |
| Jones, G. N. | Kernot, C. |
| Lees, M. H. | Lundy, K. |
| Mackay, S. | Margetts, D. |
| McKiernan, J. P. | Murphy, S. M. |
| Neal, B. J. | Reynolds, M. |
| Schacht, C. C. | Sherry, N. |
| Spindler, S. | Stott Despoja, N. |
| West, S. M. | Wheelwright, T. C. |
| Woodley, J. | |

NOES

- | | |
|---------------------|--------------------|
| Abetz, E. | Alston, R. K. R. |
| Baume, M. E. | Boswell, R. L. D. |
| Brownhill, D. G. C. | Campbell, I. G. |
| Chapman, H. G. P. | Crane, W. |
| Ellison, C. | Gibson, B. F. |
| Herron, J. | Hill, R. M. |
| Kemp, R. | Knowles, S. C. |
| MacGibbon, D. J. | McGauran, J. J. J. |
| Minchin, N. H. | Newman, J. M. |
| Panizza, J. H. * | Parer, W. R. |
| Patterson, K. C. L. | Short, J. R. |
| Teague, B. C. | Tierney, J. |
| Troeth, J. | Vanstone, A. E. |
| Woods, R. L. | |

PAIRS

- | | |
|-----------------|------------------|
| Forshaw, M. G. | Calvert, P. H. |
| Ray, R. F. | Macdonald, I. |
| Faulkner, J. P. | Macdonald, S. |
| Carr, K. | Watson, J. O. W. |
| Burns, B. R. | Reid, M. E. |
| Cooney, B. | Ferguson, A. B. |

* denotes teller

Question so resolved in the affirmative.

Senator PANIZZA (Western Australia)—by leave—Mr President, there was an obvious problem with the bells. I know it would not make any difference to the outcome of the last division, but it should be investigated as to why they were not working properly.

The PRESIDENT—The point is taken. It is being investigated and we will report back on that. I take your point about it not making any difference.

CONDOLENCES: MR MICHAEL LLOYD

Motion (by **Senator Michael Baume**)—as amended by leave—agreed to:

That the Senate—

(a) notes:

- (i) with regret, the untimely death at the age of only 45 of the Assistant Director of the National Gallery of Australia (NGA), Mr Michael Lloyd,
 - (ii) his high international reputation as an outstanding art curator, with the present Turner exhibition at the NGA being a fitting testament to his remarkable skills,
 - (iii) the moving obituary by Professor Virginia Spate in the *Australian* of 21 May 1996, which described Mr Lloyd as a quiet man, modest, reticent, generous—virtues underestimated in the art world—who played a major role in changing Australian museum culture from one which accepted pre-packaged exhibitions from overseas to one comprising exhibitions of international quality curated in Australia by Australians, and
 - (iv) notes the dignity with which he behaved during last year's controversy over the decision not to proceed with the gallery's recommendation that he be appointed its director; and
- (b) extends its condolences to Mr Lloyd's wife, Janet, and their two daughters.

SENATOR-ELECT FERRIS

Senator BOLKUS (South Australia)—I ask that general business notice of motion No. 50, standing in my name for this day and relating to an order for the production of documents in relation to Senator-elect Ferris, be taken as formal.

Leave not granted.

Suspension of Standing Orders

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

That so much of the standing orders be suspended as would prevent Senator Faulkner moving a motion relating to the conduct of the business of

the Senate, namely a motion to give precedence to general business notice of motion No. 50.

Procedural Motion

Senator BOLKUS (South Australia) (11.24 a.m.)—At the request of Senator Faulkner, I move:

That general business notice of motion No. 50 may be moved immediately and have precedence over all other business this day till determined.

In moving the motion, either Senator Chamalette or I will be asking that it be amended to not demand the production of any personal legal advice that Senator-designate Ferris may have obtained for herself or paid for by herself.

Question resolved in the affirmative.

Motion

Senator BOLKUS (South Australia) (11.24 a.m.)—I move:

That there be laid on the table, not later than 1 pm on Thursday, 23 May 1996, by the Minister representing the Minister for Administrative Services (Senator Short), the Minister representing the Attorney-General (Senator Vanstone) and the Parliamentary Secretary to the Prime Minister (Senator Minchin):

- (a) all records relating to the employment of Ms Jeannie Ferris by the Commonwealth, and to the receipt by Ms Ferris of any other benefit, either direct or indirect (including the provision of air travel), during the period from the date on which nominations opened for the March 1996 federal election to the present; and
- (b) any legal advice sought or obtained in relation to this matter.

Much of the debate on this motion has taken place this morning, so I will not go the full half an hour on this motion.

Senator Hill—How generous of you! You have taken up two hours of the Senate's time this morning.

Senator BOLKUS—Senator Hill responds in the same way the government has handled this issue for some three weeks now. That is the most amazing thing about this. It has taken the government three weeks of dissembling to get to this stage this morning. The longer the government prolongs this, the longer it keeps on taking this attitude, the tackier the whole affair will look.

Senator Hill—You're prolonging it.

Senator BOLKUS—We're not prolonging it, senator. It is very easy for you this morning to come in here and say, 'Right, we'll agree to the notice of motion. We'll agree to the return to order.' It is not unprecedented. These returns to order have happened before, and it would be very easy for you to show some leadership and to accept this. But failing that, we have to go into a debate and maybe in half an hour or so we will have resolved this issue and resolved it in a way that Senator Hill, at this stage, can claim to be predictable.

The government's reaction on this issue has been the most amazing thing about this process second only to the fact that Senator-designate Ferris was appointed by Senator Minchin to his staff. Anyone with the degree of experience that Senator Minchin has would not have taken this politically stupid and dangerous move to appoint someone to their staff who had been elected to the Senate, particularly given the operation of section 44 of the constitution. I will go to that in just a few moments.

The government's reaction has been to drag it out, to give misleading answers. There is a lack of coordination. We had Senator Vanstone coming in here yesterday giving us one interpretation of the law. We had Senator Minchin coming in today giving us another. It is nothing short of amateurish. If I were the Prime Minister (Mr Howard), I would not at all be happy about the way ministers and parliamentary secretaries have been handling this and I would not be happy with the way Senator Hill has shown no sense of coordination on this issue. What a tangled web we weave, Senator Hill, when we set out to deceive.

Senator Hill—Thanks very much. Write him a letter, why don't you, Nick?

Senator BOLKUS—I don't have to write him a letter because I know full well that Mr Howard is not happy with this. He is fuming that Senator-designate Ferris has become a victim of the factional infighting of the South Australian branch of the Liberal Party.

Senator Hill—You're a fly on the wall, are you?

Senator BOLKUS—I don't have to be a fly on the wall, Senator Hill, to know that, because the chambers of this place are reverberating that message, and it is not just the chambers but also the press gallery. Senator-designate Ferris has become a victim of Senator Minchin's ineptness as well as the factional infighting of the South Australian branch. Senator Hill knows about that because when he stood for Boothby he was a victim of that same factional infighting. This may be a payback.

What we have had here is a government dragging its feet in an uncoordinated fashion. It took 21 days to get one answer from Senator Vanstone—an answer which was not worthy of the description of an answer to the questions that were raised. It was inadequate. It glossed over the basic questions and it misled the Senate by the assurance that it gave and the questions it did not go to.

Senator Hill—What—by the assurance of the question that it goes to?

Senator BOLKUS—By the assurance that the answer gave and the questions that we asked that were not answered in her answer. Senator Vanstone's answer of Monday's date says:

... it is not the practice of the Commonwealth to advise in relation to the application of section 44(iv) of the Constitution either generally or in particular cases.

It may not be the responsibility to give individual people advice, but it is very much the responsibility of the government in charge of the executive of this country to be advised if a particular senator is not capable of holding a position in this place. It is very clear that governments have a responsibility to get that advice for the operation of government, particularly when the difference in the voting strengths in this place on many issues after 1 July could be one person.

Senator Vanstone says that it is not the practice of DAS to get advice and give it to particular people. That might be right, but it shirks the responsibility governments have to get the system right. She goes on to say this, and this is the critical part of Senator Vanstone's advice on Monday, which is worth reading into *Hansard*:

However, the advice of the Attorney-General's Department noted previous advice it tendered in 1984 that employment under the Member of Parliament (Staff) Act 1984 would probably involve holding an office of profit under the crown within the meaning of section 44(iv).

So the job that Senator-designate Ferris had been appointed to, under the advice provided, very clearly comes under section 44(iv). The advice further noted that Ms Ferris's qualification for being chosen as a senator would be open to question if she held an office of profit under the Crown. Then we were told—as Senator Hill has said—that she was not appointed.

This morning we had Senator Minchin come in here and say that in the Senator-designate period she would not be covered, but the contrary advice, as given by Senator Vanstone, is that she would be covered. Then he said, 'Despite all that, she was not really appointed because she never got formal approval.' That is what Senator Hill said as well. The facts of this matter, as adduced by Senator Minchin this morning, are that she was appointed, she got paid salary, she received benefits—travel and otherwise—and then the approval did not officially come through. The fact of the matter is that this person actually served in Senator Minchin's office, was on his staff, travelled across South Australia, travelled around the country and, as a consequence, got the benefits of holding an office of profit.

That has been adduced this morning. As was so eloquently put by my colleague Senator Schacht a few moments ago, the fact that Ms Ferris paid it back is akin to a bank robber going in and knocking off a bank and then three weeks later going back and saying, 'I've got this money; I want to give it back to you; let's just forget the whole thing.' That is the precise analogy. As Phil Cleary knows full well, you do not have to receive any money to fall foul—

Senator Hill—Mr Acting Deputy President, I raise a point of order. The minister is saying that this behaviour about which he is speaking is akin to a criminal offence. I am not sure whether that is what he is intending to say, but if it is it is highly offensive.

Senator BOLKUS—I am not intending that, and Senator Hill knows that. What I am intending is to draw an analogy with someone who has committed an offence of some sort and then wants to come back some time later and say, 'I'll pay the money back.' I am not suggesting she committed a criminal offence; that has never been on the record, and you know that, Senator Hill.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—On the point of order, provided Senator Bolkus is acknowledging that, there is no point of order.

Senator BOLKUS—The point is that this particular person has served in the office. We have been given assurances by Senator Vanstone. Senator Colston asked Senator Vanstone:

Did the senator-designate accept any employment rights or benefits from this position at any time after her nomination for election?

That is a pretty clear question and a fairly fundamental one. What did Senator Vanstone say to that? She provided this answer:

The question raised by Senator Colston goes to the previous questions raised by Senator Bolkus about whether senator-designate, Ms Ferris, occupied an office of profit—

It doesn't. She knows full well that what we are trying to ascertain here is whether Senator-designate Ferris actually received any benefit through a contract with the Crown. That is a parallel problem, but in her answer Senator Vanstone does not go to the actual question that was raised by Senator Colston.

As we saw today, Senator Minchin came in and basically dug Senator-designate Ferris into a bigger ditch. Senator Minchin did not even stay for the duration of the debate to actually defend his position. It was striking this morning that Senator-designate Ferris is in trouble and Senator Minchin is in trouble, but where were the two senior colleagues that you would expect to participate in this debate to defend them? Senator Hill did not speak and Senator Vanstone did not even come into the chamber. That just shows the lack of solidarity in the South Australian branch of the Liberal Party that has led to the raising of this particular issue.

After 23 days, we are, in many senses, clearer on a number of things, but we also need more information. Confusion over the legal advice is one thing, but much of the case in this particular matter will depend on the documentation. What is clear is that the period during which Senator-designate Ferris was employed by Senator Minchin is covered under section 44(iv) of the constitution. What is also clear is that she was employed, she did get salary and she did get benefits. Those two particular points are good enough to strike her out on the basis of precedence. If we want to look at precedence, all we have to do is to look at Odgers under the particular point governing Senator-designate Ferris's position. Page 629 of the fifth edition deals with the interregnum period between election and the time a senator takes up their position. It states:

As this is a question which remains to be answered, the Public Service Board does not wish at this stage to attempt to formulate a precise policy on re-employment in the Public Service of a Senator-elect.

It goes on to say:

Whilst the Board would be willing to examine the circumstances of any case as and when it arises from a specific application by a Senator-elect for employment, you should know that it doubts the desirability of a Senator-elect being employed in the Public Service.

The question about whether the period is relevant to section 44 of the constitution is covered not just by Odgers but also by previous advice on this matter. What we have not got clear is the extent of the working relationship between Senator-designate Ferris and the Crown through Senator Minchin. We have not got the extent of the employment. What we need to have are contracts of employment. We need to have all the documents pertaining to the appointment of this particular person and the documents pertaining to her travel.

If anyone doubts that she was working for the Commonwealth, all they have to do is go to the library and get the visuals of news reports where Senator-designate Ferris was filmed working with Senator Herron in a number of locations on Aboriginal issues. Of course, her responsibility was native title. The visuals are there. The admission has been

made this morning that she worked for Senator Minchin. We need to get all that documentation. We also need to get the legal advice which the government may have sought and which may have been provided to the government.

The answer given by Senator Vanstone—once again, in a misleading way—was, 'You can't get whatever advice the Attorney-General's Department might have provided, but I am aware that legal advice by Miss Christine Wheeler, QC concludes that Miss Ferris is in the clear.' Why was Christine Wheeler QC chosen? What information was she given? What does she know about the extent of the employment of Senator-designate Ferris by Senator Minchin? What does she know of any benefits that Ferris may have received as part of that employment? The issue that Miss Wheeler has to address is: if the advice she has given has been based on incomplete information, then she has a responsibility to protect her own professional reputation in terms of the way it has been abused by the Minister representing the Attorney-General in this place. Miss Christine Wheeler needs to know the extent of the employment relationship before she can give a clear advice.

The benchmark for this matter is an analogous case concerning Mr Phil Cleary, the former member for Wills. He held a position in the parliament as a federal member, but he had been on leave from the education department in Victoria. He did not receive a benefit. He did not receive any travel rights. He did not claim any travel allowance. He did not get paid any salary at all. When the matter went to the High Court, although he received no profit, the fact that he merely held that office of profit struck him out. Phil Cleary could have written back to the education department and said, 'I may have held this profit, but I now want to renounce it. I will give you back whatever I might have got,' which in his case would have been very easy to do, because he got nothing. That would not have been good enough then, nor is it good enough now. Under the section 44 of the constitution, you cannot redeem the penalty. The production of

these documents is pretty important, and we are proceeding with this motion.

I say to the government: as long as you drag this matter out, you are going to look tacky. The longer you drag it out, the longer you will be dragging this institution into an era of uncertainty. On 1 July Senator-designate Ferris takes her place in this parliament. If this matter is not cleared up before that, it will have to be cleared up after that. If I were this government, the last thing I would want, going into the budget session, would be any degree of doubt over the status of one of the senators in this place.

I say to Senator Hill: you cannot run away from this. If you do not produce these documents, then we have the legal right to freedom of information. If you don't do it quickly, any citizen of South Australia has the right to institute proceedings. One way or another, you will be forced into a corner on this. So just face the music today. Get a bit of coordination into your game and produce the documents.

I close with this message to the Attorney-General, Mr Daryl Williams, a person who is respected for his legal capacity and experience. There is a responsibility on the prime law officer of this country, the first law officer, to check this matter out and to ensure that the workings of government, of the parliament, are in accordance with the constitution. If he does not take some action and get full and comprehensive advice, he will be acting in dereliction of his duties.

Senator HILL (South Australia—Leader of the Government in the Senate) (11.41 a.m.)—The real purpose of this motion is to waste more Senate time.

Senator Bolkus—Mr Acting Deputy President, I raise a point of order. I ask you to take note of what Senator Hill just said about wasting time. I do not know what standing order this comes under, but the point I make is that if Senator Hill chose to accept this there would be absolutely no waste of time at all. Under rule 303, I ask you to remind Senator Hill that he could be saving a lot of time in the Senate if he accepted the inevitability of this.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—There is no point of order.

Senator HILL—This is just another attempt to waste the government's time in the Senate. It has been fascinating that in the eight sitting days between 30 April and 20 May, the opposition, together with the Democrats and the Greens, have allowed the government four hours and 15 minutes for debate of legislation. That is a fraction over half a day out of eight sitting days. It is therefore not surprising that since the Senate resumed almost three sitting weeks ago, the opposition, the Democrats and the Greens have allowed the government the passage of only two pieces of legislation. What is occurring today is just a continuation of that practice. They obviously do not intend to allow the government to attain its legislative program. They have no respect for the wishes of the Australian people that were so clearly demonstrated at the recent federal election when the government was elected with an overwhelming majority in the House of Representatives to implement a program of reform. That program is being continually frustrated in this chamber by the Labor Party, which is not prepared to accept its defeat, in collusion with the Democrats and the Greens.

The Senate has been sitting for two and a half hours already today and we are still, in effect, dealing with opposition business. No doubt this will go on. Senator Ray has spoken on this issue today and will, no doubt, speak on it again. Three opposition senators spoke on this issue and they all said the same thing. It was so they could waste more time. It might be frustrating for the government, but it must be infuriating for the Australian people, that the Labor Party has obviously made a determination that it does intend to obstruct the government's business in this place and to so do, I think, in an almost unprecedented way.

The hypocrisy of this motion is also amazing. This morning we listened to Senator Bolkus saying that the government must produce legal advices. How often, when the Labor Party were in government, did we find them here on motions similar to this saying,

'You are not entitled to those advices.' I specifically remind the Senate of Senator Bolkus, on 8 September 1992, refusing to table legal advice on the matter of political advertising. Senator Bolkus said:

There is a standing procedure in respect of legal advice provided to government—that is, that government does not table such advice—and we are not going to deviate from that procedure this time.

That was Senator Bolkus who, only a minute ago, was standing on the other side of the chamber—now in opposition, forgetting the past, having been transformed—saying that the government should provide these legal advices. He repeated the same argument on 1 September 1993.

I can refer you to similar arguments put by Senator Evans on a number of occasions, by Senator McMullan, by Senator Collins in relation to pay TV and ATSIC, and by Senator Faulkner in relation to logging and woodchipping. They all said that it is improper for the government to provide its legal advices; that they are confidential to government and it should not have to provide them.

Having conveniently forgotten all that this morning, Senator Bolkus came in here and demanded of us that which he was not prepared to produce when he was in office only a short period ago. So, in relation to legal advices, we do not believe that they should be produced and we therefore oppose that part of the motion.

The other part of the motion relates to the personal matter of what might have transpired in Senator Minchin's office. Senator Minchin came into the chamber this morning and openly explained exactly what the circumstances were in relation to this matter—which, unfortunately, already have been misrepresented by the opposition.

Senator Bolkus said on a number of occasions that Senator-elect Ferris had been appointed to Senator Minchin's staff. That is not what Senator Minchin said this morning at all; to the contrary. But rather than accept what was said, Senator Bolkus chose to misconstrue it and twist it to what he believed to be his political advantage. That is what you heard from him in the chamber this morning.

The matter of personal records is another subject that has received a lot of consideration in this chamber. The rule of thumb that the former Leader of the Government in the Senate, Senator Evans, used was to look at the Privacy Act and the Freedom of Information Act. If you go to the Privacy Act you will find information privacy principle No. 11 providing that a person who has possession or control of a record that contains personal information shall not disclose that information unless certain conditions are met. I could go through each of those conditions—no doubt the Labor Party will—but they are not applicable to this particular circumstance.

Surely the Labor Party—which for so long has said that personal privacy is sacrosanct and should be protected—would respect it in this instance and accept what Senator Minchin has said. But, no, they do not care about the personal privacy of Senator-elect Ferris. They are in the process of seeking to extract some political gain by wasting the Senate's time and distracting the government from its legislative program.

We do not believe that the personal information held by the government in relation to this matter should be produced. Therefore, for the reasons that the legal documents are inappropriate to be produced and the personal information is inappropriate to produce, we oppose the motion.

Senator BELL (Tasmania) (11.49 a.m.)—The Australian Democrats' position on this issue of disqualification is well known. We see section 44 of the constitution as leading to a situation of very clear discrimination against more than one million Australians—some 20 per cent of the work force who are denied the right to stand for election without incurring significant financial penalty.

Senator Robert Ray—It will be less than 20 per cent soon.

Senator BELL—That may be so but the important aspect of that is that at the moment those who are in public service and wish to stand for election are discriminated against as no others in the community are. We have always argued that the intention of section 44 was to ensure that a member or a senator, or a senator-designate for that matter, was not

simultaneously a member of parliament and a Commonwealth public servant and therefore in receipt of two salaries or two benefits.

That is the crux of the matter as far as we are concerned—that the person is not receiving two salaries or a double set of benefits. Surely it is plain that that is the intention. It seems to us to be ridiculous and unfair and you can have a situation where a senator or senator designate with no source of income is precluded from taking up or returning to a public service position in the period between election and the taking up of his or her position as a senator.

The position has not been resolved and that is the point here. While it appears rather naive of Senator Minchin to employ senator-designate Ferris in the first place, it appears she was not receiving a double benefit from the taxpayer because she was not receiving a salary as a senator. The position she finds herself in clearly demonstrates, as did the Phil Cleary situation a few years back, how ridiculous it is to have section 44 interpreted as it has been.

We are not particularly interested in helping the Labor Party, or even some elements of the South Australian Liberal Party, to pursue Senator-designate Ferris. But Senator Minchin has to understand that this issue will not go away. This is a matter that will continue to affect the parliament while section 44 is interpreted and applied as it is.

So we are not particularly interested in running some sort of campaign against Senator-elect Ferris, but we will support Senator Bolkus's return to order motion. We support it because we usually support returns to order in the interest of open government accountability. I think the Senate is entitled to look at the relevant documents. I remind the government that they in opposition constantly used the return to order device in the life of the previous government, and they usually in that capacity had the support of the Australian Democrats in doing so.

We do not even see the reason for the Senate to be particularly concerned about the content of the legal advice, but I take the point that was made earlier: the date on which that legal advice was made is a crucial date.

Whether the actions were subsequent or whether they preceded that advice is of crucial importance.

I also strongly suggest to the coalition government that, having now found themselves in this position and knowing how uncomfortable it is, they take another look at Senator Kernot's 1992 bill which sought to redress the problem, which they were not convinced of at the time. Perhaps they now understand that this is not just an issue which affects the public servants and that Senator Kernot is more than happy to reintroduce her bill and have the government vote for it. I believe that would resolve the matter. I believe that the government, when they were in opposition, gave this matter only a superficial and cursory glance. They now realise that it is of crucial importance and needs to be resolved for the benefit of all Australians.

It may be that there is some sort of an attitude that public servants do not deserve to be helped, that they can be pursued, that their numbers can be cut or that the particular attitude of the government towards public servants does not need to be explained. But here it has, and it has come home to roost. It does affect the government of the day and its own members.

So we will support the return to order. We believe that, in the interests of eventually resolving this problem, as much information as is possible can be brought to it. I also restate the importance of Senator Kernot's bill, which would have resolved this had the now government, then in opposition, had the foresight and intelligence to recognise a good thing when it was presented to it.

Senator ROBERT RAY (Victoria) (11.55 a.m.)—I rise to make some brief comments about Senator Hill saying that we are merely wasting time. We had the opportunity yesterday to debate and resolve this matter but, at Senator Hill's own request, it was put on today. We did not request Senator Minchin to make a statement. You organised that on that side of the house and, therefore, you bear that responsibility for any time wasted coming out of that exercise.

Senator Hill, in a very weak defence of this particular proposition today, really only made

two points. He made the point about the propriety of releasing legal opinion, of which there is a difference of opinions in the Senate, and it may well be that according to—

Senator Kemp—What's your view, Robert?

Senator ROBERT RAY—I will come to that. According to where you sit in the chamber and which year as to where you sit in the chamber, the view changes. Mine does not. Yours has. You, Senator Kemp, have voted for returns of order that demand the production of legal opinions. I never have. You have, and you did so consistently. Every time you did so, I warned you that the day you might get in government you may rue that. For those of us with principles we will abandon them and punish you accordingly, and today may well be the day. The option is still left, of course, as to whether you comply with that return to order.

Senator Kemp—What a hypocrite!

Senator ROBERT RAY—‘What a hypocrite,’ says Senator Kemp, having voted to produce legal opinions time and time again. Today he has indicated he would like to, in fact, vote the other way.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! Senator Kemp, you do have to withdraw that.

Senator ROBERT RAY—I did not ask for that, Mr Acting Deputy President. I have never asked for anyone to withdraw anything in this chamber. I make that clear.

The ACTING DEPUTY PRESIDENT—Irrespective of your wishes, Senator Ray, it is unparliamentary and, therefore, requires withdrawal.

Senator Kemp—I withdraw.

Senator ROBERT RAY—There is the issue that this government will have to confront if this motion is carried today as to whether they produce legal opinions or not. Whatever benchmark they set there, one would expect them always to hold by it, even if it is a reversal of a previous position.

On the question of the point raised in question (a), these are not privacy matters. You have been asserting on that side that

there was no employment, no appointment—nothing. What the motion requires is for you to produce any employment documents. Your contention that there was none obviously means there are no documents that exist.

The problem with the comments made by Senator Minchin and Senator Hill today is that they have still avoided some of the central questions. Firstly, Senator Minchin implied that Ms Ferris had sought legal opinion and later had been offered a job by Senator Minchin, that had sought advice of a QC. The first point is that we have not seen that advice. That advice is not confidential in terms of a parliamentary or departmental relationship. Why can't we see that advice, and when was it sought? Indeed, if that advice was sought after 28 March, it was done so on a forewarning.

Senator Hill—You walked in late and you missed your leader in this instance saying that you specifically did not want that.

Senator ROBERT RAY—No, but what I am saying is in terms of whether there is—

Senator Hill—In fact, you can amend your motion to exclude it.

Senator ROBERT RAY—You seek information, Senator Hill, to see whether there has been a cover-up. One of the things you might adduce from that is, given Senator Minchin's statement this morning in which he put in a certain chronology but did not date it, that one wonders about the veracity of his statement. If that is true, it means that there were various tip-offs within government to go and get a private legal opinion and put that fix in. Everyone is entitled to know that.

The second and most crucial point that we are entitled to know, which goes to section (a), is that Senator Minchin has come in here today and not even admitted that he wrote a letter to Mr Jull, but not denied it, appointing Ms Ferris to the position. We want to see that letter. That letter is entitled to be produced for the Senate to make a judgment on whether Senator Minchin is telling the truth or not.

Secondly, we are entitled to know whether an employment contract under the Members of Parliament (Staff) Act was filled out and signed. Did Ms Ferris sign that contract? Did

Senator Minchin sign that contract? There was no response from the other side to that question. We are entitled to know that. We are also entitled to know when the Department of Administrative Services paid Ms Ferris three days wages. We are entitled to know when Ms Ferris returned that money. What were the relevant dates of that? Did Ms Ferris take any other remuneration?

Senator Herron—Oh!

Senator ROBERT RAY—Senator Herron, this goes to the question of whether she was employed or not. Did Ms Ferris take any remuneration for travel allowance, air travel, et cetera, all of which go to say that she held an office? If in fact, as Senator Minchin says, it is all hunky-dory—an application went in, it was never approved, she was never technically employed—then that is the end of the matter if the documentation substantiates that. There are too many clouds and inconsistencies in the story so far for anyone to reasonably draw that conclusion and, because of that, I do not think the government can avoid section (a) of this motion if the motion is carried.

In regard to section (b), on whether they produce legal advice, I am sure that on one or two occasions when we were in government we refused to table that legal advice on the basis of a return to order. That will be your option, and then the Senate can take other options. Your response to that was to move a contingent notice of motion to gag a Senate minister for failure to do so. That is draconian. That is how far you wanted to push these issues.

This return to order in two parts should be carried by this Senate and it should be cleared up. I make it quite clear, as both I and Senator Schacht have said earlier, that in the end it will not affect the voting patterns in this chamber one iota. If you leave the matter to an obscure point until some time after the changeover of senators on July 1 and there is some doubt about a closed vote in this chamber as to the qualification of the senator, it will not be productive to the efforts of anyone in this Senate and it will especially be counterproductive for the government opposite.

One can only assume that if the government is reluctant to produce these documents then it is worried that there has been an attempted cover-up here. There is no evidence that there has been a cover-up, but there are enough inconsistencies to suggest that we should be given the information to ensure within our own minds that there has been no cover-up: that there has been no collusion between the Minister for Administrative Services (Mr Jull) and the Attorney-General (Mr Williams) and Senator Minchin and Ms Ferris not to have the full facts come out.

If, as they profess, Ms Ferris was never employed by Senator Minchin in the terms of office of profit under the Crown, then the matter can rest. If, however, there is doubt as to whether Ms Ferris was employed, we must get into the next stage, into the legal views, as to whether that actually constituted an office of profit under the Crown or not. Senator Minchin, Senator Hill and others would assert that it did not do that. It would also be good for the future to establish that as a principle—to have some legal opinions fully canvassed on that issue or fresh ones constituted so they do not abrogate the confidentiality agreement between the two departments on that particular subject—so that at the end of the day we may be able to clear up for future senators-elect what their employment prospects are.

This is one return to order that should be passed. Certainly section (a) must be complied with if it is passed. Section (b) is a matter of conflicting principle that everyone has expressed views on—and has double standards on, I suspect—over the years as to the production of legal opinion. Certainly, the answers to section (a) will make it quite clear whether we need answers on the question of section (b) of this return to order.

Senator MARGETTS (Western Australia) (12.04 p.m.)—The Greens are inclined to support this motion as per usual in the cause of open government, and also, if for no other reason, to clarify the position on behalf of the senator-elect because it is important this is clarified. It is in the senator-elect's best interest that this is clarified before any further stages take place. However, we would like to

ask for an amendment to the motion. Under section (b), which says 'any legal advice sought or obtained in relation to this matter', we would like to add the words 'by the government'. We would support the motion with the amendment. I move:

At end of paragraph (b), add "by the Government".

Senator Bolkus—On a point of clarification, as I said at the start of my contribution, we were only intending to get advice provided to government and we were prepared to accept an amendment to exclude the personal advice that may have been obtained and paid for by Senator-designate Ferris.

Senator Hill—What is the amendment?

The ACTING DEPUTY PRESIDENT (Senator Chapman)—The amendment is to add at the end of paragraph (b) the words 'by the government' so that it would read 'any legal advice sought or obtained in relation to this matter by the government'.

Amendment agreed to.

Question put:

That the motion (**Senator Bolkus's**), as amended, be agreed to.

The Senate divided. [12.08 p.m.]

(The Acting Deputy President—Senator H.G.P. Chapman)

| | |
|--------------------|----------|
| Ayes | 33 |
| Noes | 29 |
| Majority | <u>4</u> |

AYES

- | | |
|------------------|--------------------|
| Bell, R. J. | Bolkus, N. |
| Bourne, V. | Carr, K. |
| Chamarette, C. | Childs, B. K. |
| Coates, J. | Collins, R. L. |
| Colston, M. A. | Conroy, S. |
| Cook, P. F. S. | Crowley, R. A. |
| Denman, K. J. | Evans, C. V. |
| Foreman, D. J.* | Forshaw, M. G. |
| Jones, G. N. | Kernot, C. |
| Lees, M. H. | Lundy, K. |
| Mackay, S. | Margetts, D. |
| McKiernan, J. P. | Murphy, S. M. |
| Neal, B. J. | Ray, R. F. |
| Reynolds, M. | Schacht, C. C. |
| Spindler, S. | Stott Despoja, N. |
| West, S. M. | Wheelwright, T. C. |
| Woodley, J. | |

NOES

- | | |
|---------------------|---------------------|
| Abetz, E. | Alston, R. K. R. |
| Baume, M. E. | Boswell, R. L. D. |
| Brownhill, D. G. C. | Campbell, I. G. |
| Chapman, H. G. P. | Crane, W. |
| Ellison, C. | Gibson, B. F. |
| Herron, J. | Hill, R. M. |
| Kemp, R. | Knowles, S. C. |
| MacGibbon, D. J. | McGauran, J. J. J. |
| Minchin, N. H. | Newman, J. M. |
| O'Chee, W. G.* | Panizza, J. H. |
| Parer, W. R. | Patterson, K. C. L. |
| Short, J. R. | Tambling, G. E. J. |
| Teague, B. C. | Tierney, J. |
| Troeth, J. | Vanstone, A. E. |
| Woods, R. L. | |

* denotes teller

Question so resolved in the affirmative.

COMMITTEES

Finance and Public Administration Legislation Committee

Report

Senator BELL (Tasmania)—I present the first report of the Finance and Public Administration Legislation Committee on the examination of annual reports.

Ordered that the report be printed.

Senator BELL—I move:

That the Senate take note of the report.

Question resolved in the affirmative.

Economics Legislation Committee

Report

Senator O'CHEE (Queensland)—On behalf of Senator Ferguson, I present the first report of 1996 of the Economics Legislation Committee on the examination of annual reports.

Ordered that the report be printed.

Senator O'CHEE—I move:

That the Senate take note of the report.

Question resolved in the affirmative.

Environment, Recreation, Communications and the Arts Legislation Committee

Report

Senator PATTERSON (Victoria)—I present the first report of the Environment, Recreation, Communications and the Arts

Legislation Committee on the examination of annual reports.

Ordered that the report be printed.

Senator PATTERSON—I move:

That the Senate take note of the report.

Question resolved in the affirmative.

**Finance and Public Administration
References Committee**

Reports

Senator MURPHY (Tasmania)—Mr Acting Deputy President, I present the report of the Finance and Public Administration References Committee on the review of the order for the production of index lists of departmental files.

Ordered that the report be adopted.

Senator MURPHY—I move:

That the Senate take note of the report.

Question resolved in the affirmative.

Privileges Committee

Report

Senator TEAGUE (12.16 p.m.)—I seek leave to move motions relating to the 60th and 61st reports of the Committee of Privileges.

Leave granted.

Senator TEAGUE—I move:

That the Senate endorse the finding at paragraph 13 and adopt the recommendation contained in paragraph 14 of the 60th report of the Committee of Privileges, presented to the President on 29 April 1996.

On 30 June 1996, the following matter was referred to the Committee of Privileges:

Whether there was an unauthorised disclosure of the documents or private deliberations of the Select Committee on the Dangers of Radioactive Waste and, if so, whether any contempt was committed by that unauthorised disclosure.

Mr Acting Deputy President, you would be fully aware of this matter, as you were then the chairman of that Senate committee.

The matter concerned disclosure of a resolution of the select committee, which had been agreed to at a private meeting of that committee. The evidence for the possible unauthorised disclosure was a press release by the then Minister for Justice. In considering

the matter, the Committee of Privileges wrote to the Select Committee on the Dangers of Radioactive Waste seeking advice as to whether any information was available as to the possible source of the unauthorised disclosure, and whether the disclosure either had a tendency substantially to interfere or actually interfered with the work of the radioactive waste committee.

The Chairman, Senator Chapman, advised on behalf of the radioactive waste committee that it was unable to discover the source of the disclosure. On the basis of the Chairman's letter, the Committee of Privileges was able to satisfy itself that no interference with the work of the Radioactive Waste Committee had occurred. The Committee of Privileges has therefore found that no question of contempt was involved in the matter referred to it.

In 1989, the committee put forward suggested guidelines for parliamentary committees in considering matters of this nature. The committee has now decided that it might be appropriate to formalise the suggested guidelines. The proposed resolution at paragraph 14 of our report gives effect to this recommendation as follows:

- (1) (a) A committee affected by any unauthorised disclosure of proceedings or documents of, or evidence before, that committee shall seek to discover the source of the disclosure, including by the chair of the committee writing to all members and staff asking them if they can explain the disclosure;
- (b) the committee concerned should come to a conclusion as to whether the disclosure had a tendency substantially to interfere with the work of the committee or of the Senate, or actually caused substantial interference;
- (c) if the committee concludes that there has been potential or actual substantial interference it shall report to the Senate and the matter may be raised with the President by the chair of the committee, in accordance with standing order 81.
- (2) Nothing in this resolution affects the right of a senator to raise a matter of privilege under standing order 81.

As will be immediately evident to senators, this proposed resolution recommended by the privileges committee with regard to this particular reference formalises the guidance

that we have been giving for many years now. When this matter is taken up further—I will seek leave in a moment to continue my remarks—that proposed resolution can be put and passed by the Senate. It will then be not just guidance but the actual procedure of the Senate in matters such as this.

I commend the report of the Senate Committee of Privileges to the chamber and I commend the resolution that is contained in the report. I seek leave to continue my remarks.

Leave granted.

Senator TEAGUE—With regard to the 61st report, I move:

That the Senate endorse the finding at paragraph 2.28 of the 61st report of the Committee of Privileges, presented to the President on 29 April 1996.

On 21 March 1995, the following matter was referred to the Committee of Privileges.

Senator Margetts—On a point of order, I seek clarification on whether we are going to be asked to vote on this now.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—No.

Senator Margetts—When will we voting on it?

The ACTING DEPUTY PRESIDENT—On this second matter that Senator Teague is addressing?

Senator Margetts—Yes.

The ACTING DEPUTY PRESIDENT—It will be debated on Thursday in the normal course of events.

Senator TEAGUE—With regard to Senator Margetts's question, and to any other senator thinking the same thing, it is usual for the chairman of the Senate privileges committee to present the report of the committee as a whole, and to move any resolutions that arise from the report but not to conclude debate or to put the resolutions on the first introduction of them. It is then usual for this to be in general business on a Thursday. Hopefully, this will continue on Thursday.

In this particular case, two reports—Nos 60 and 61—were completed just before the sitting of the Senate when I was still the chair of the Senate Committee of Privileges. It was agreed by the committee that now—as deputy chair since the government and opposition have changed places, and as I was the chair for the carriage of this matter—I would adopt these procedures in this sitting of the Senate but that any reports after these two will be taken up by the current chair of the Senate Committee of Privileges.

I will continue to introduce this matter. On 21 March 1995, the following matter was referred to the Committee of Privileges:

Whether false or misleading statements were made to the Select Committee on Public Interest Whistleblowing and, if so, whether any contempt was committed in relation to those statements.

This matter was raised by Senator Shayne Murphy, Chairman of the Unresolved Whistleblowers Committee, and Senator Jocelyn Newman, the former chair of the Public Interest Whistleblowing Committee. It concerned allegations by Mr Alwyn Johnson that misleading statements had been made by the chairman of the Trust Bank Tasmania in a letter to the Select Committee on Public Interest Whistleblowing. This letter in turn had been a response to certain previous allegations made by Mr Johnson, the most significant of which was that he had been dismissed from the bank as a result of his activities as a whistleblower.

The matters raised by Mr Johnson, which have been responded to on behalf of the Trust Bank, are analysed at paragraphs 2.5 to 2.24 of the committee's report. As is usual, the Senate Committee of Privileges conducted this matter most carefully on the basis of the privilege resolutions of the Senate, and the analyses of the claims are systematically discussed in the paragraphs to which I have referred. It is on the basis of the analyses that we have a unanimous report with the finding that is set out in the report.

For the reasons set out in the report the committee has concluded that, while certain statements were not as precise as they might have been, they did not constitute false or misleading evidence before the Select Com-

mittee on Public Interest Whistleblowing. The committee has, therefore, determined that no finding of contempt should be made. I commend the report to the Senate and seek leave to continue my remarks.

Leave granted; debate adjourned.

**CUSTOMS AND EXCISE
LEGISLATION AMENDMENT BILL
(No. 1) 1996**

Second Reading

Debate resumed from 21 May, on motion by **Senator Kemp**:

That this bill now read a second time.

Senator MARGETTS (Western Australia) (12.27 p.m.)—Last night I was talking about the likelihood that government will not be able to quarantine the diesel rebate to quarrying so that it covers only production for agricultural limestone for soil de-acidification. This morning I will deal briefly with the problem that there is no guarantee of a flow-on effect to farmers.

I imagine quarries may consider the whole thing too hard and not bother with the paperwork, and that they could charge farmers the standard rate for limestone. I imagine that, even if they wished to give farmers some advantage, it would not be full advantage of the rebate since the quarries have entailed real costs and to pass on all the advantage would make the rebate a negative benefit for the quarries. Either way, the benefit to farmers will be substantially less than might be imagined from this legislation. The costs in terms of Australian Taxation Office auditing and monitoring will be imposed on government, and there is potential for revenue leakage to other areas of limestone quarrying, which is by far the major purpose of limestone quarrying.

The idea that competition would force a flow-on is difficult to see in a market where limestone for farmers varied between \$8 and \$20 per tonne before the diesel rebate issue arose. Farmers tend to buy locally, not shop around the nation for truckloads of limestone.

This whole amendment is meant to benefit farmers and the land. While it may have some benefit, it does not tackle the major issue

which is that land care is an up-front expense even when full rebates can be claimed and full deductions may not be able to be used in a bad year. Expenses then become absolute expenses, which is clearly counter to the intention of parliament as embodied in 75D of the ITAA.

We think that, rather than go through this convoluted process which may yield less benefit than expected, it would be a good idea to tackle the issue directly. If you want to do this to support farmers in looking after their land, the measure should be addressed to farmers, and the paperwork compliance costs should be borne by those receiving the benefits—the farmers. This targets the benefit.

If the problem is that farmers are hesitant to engage in land care measures because of cost and because they may not be able to effectively use deductions, then I propose my amendment which would carry out the intention of parliament to support land care by reducing costs to farmers. As I mentioned before, land care expenses are 100 per cent deductible. If not used in one year, they can be claimed in subsequent years. I propose that since the problem is that deductions may not be useable within the year—indeed, within several years—and this may affect a decision to engage in land care, the solution is to pay a cash land care rebate, just like the diesel rebate, wherever there are deductible land care expenses which exceed assessable income.

In other words, farmers should be able to engage in land care activities for which they have to make up-front expenditures and be able to deduct as much of that as possible and, if they have outstanding deductions they cannot use, they should not be out of pocket. They should not have to wait several years to use the deductions, in the meantime bearing the costs. They should have the assurance that they can recoup costs within the year through a cash rebate. One hundred per cent deductibility indicates that it is the intention of parliament that land care expenses should be recouped. Our amendment simply assures this.

Senator Cook, in his speech yesterday, noted that we had talked with him on our

amendment, said that he is genuinely sympathetic to it but raised two hurdles to his support of our amendment. The first is the question of whether our amendment is constitutional. I understand this is based on the question of whether, under the Income Tax Assessment Act, it is possible to give out moneys without a clause authorising the parliament to make an appropriation.

This was first raised by the office of the shadow Treasurer, Mr Gareth Evans, to whom Senator Cook referred our amendment to look at the revenue implications. Mr Evans's office raised the issue directly with us, and we told them that, on advice, our amendment is constitutional. We agreed to check that advice with the clerk. We have been given the opinion that our amendment is constitutional and that the clause on the appropriation, if necessary, could be added in the House if the bill is accepted there.

At our request, we asked for a standard formula to allow the parliament to appropriate money under a bill that we can add in case the issue seemed to be an insurmountable stumbling block. We can add these if we must.

I would like to clarify a statement of Senator Cook, wherein he said:

The Greens' amendment proposes that if a person is not a taxpayer—that is, they are not in a situation in which they have to pay tax—they can get a cash refund for this work.

This is technically correct, in that they would get a refund in a year in which the full benefit of a deduction cannot be gained. However, I would like to make certain that it is understood that this is only in respect of a deduction under all or part of section 75D, which specifies that the person getting a rebate must be operating an agricultural property as a business for profit. Section 75D is not a blank cheque for anyone to claim deductions, and our measure applies only to those who have expenses deductible under section 75D.

Furthermore, it applies only to the amounts in excess of effective deductions—in other words, deductions must be taken—and it applies to the remainder where income is so low that deductions cease to confer a benefit. I also point out that, under the income equity

provisions, farmers can already maintain the deductions and use them in subsequent years, so they are still a benefit upon which the government stands to lose revenue through future deductions. So it is no extra revenue. It is just the timing which is important.

In effect, we are trying to shift the benefit from some future time to the financial year in which the expense is incurred. Unless the expectation is that the benefit these landcare deductions are expected to bring will never be attainable, because of persistent low income, then it cannot really be viewed as a negative revenue implication.

It may be that having certainty that a benefit would be attained in the year the expense was made would lead farmers to do a lot more land care and soil de-acidification. But that, I would have thought, is precisely the point of both section 75D and the government's current amendments relating to limestone quarries.

As to whether the amendment is unnecessarily wordy, I am happy to look at a way to redraft the words to make it more acceptable. Senator Cook mentioned that there is no precedent for such wordy explanations in the act. I was given an example. Section 79A of the ITAA, headed 'Rebates for residents of isolated areas', reads:

For the purpose of granting to residents of the prescribed area an income tax concession in recognition of the disadvantages to which they are subject because of the uncongenial climatic conditions, isolation and high cost of living in Zone A and, to a lesser extent, in Zone B, in comparison with parts of Australia not included in the prescribed area, a taxpayer (not being a company or a taxpayer in the capacity of a trustee) who is a resident of the prescribed area in the year of income is entitled, in his assessment in respect of income of that year of income, to a rebate of tax ascertained in accordance with this section.

Our explanation is actually clearer than that.

To recap, the rebate would be paid on the amount deductible that is outstanding after deductions are taken. It would be the deduction that they would get at some time any way. This means the deduction, having been paid, is not to be claimed in the future. The deduction would be claimed against the lowest tax rate where it could have been used.

That is 20 per cent in the case of personal income tax.

Deductions are subcontracted from income, reducing taxable income. The benefit is therefore calculated on the tax rate of the income being reduced. In this case, the taxable income is below the threshold, so the applicable tax rate is the lowest rate at which tax should be paid. It would be used in subsequent years at this rate or at a higher one.

Our primary amendment is limited to those activities defined as soil care activities in agriculture under section 75D of the Income Tax Assessment Act. It would have the effect of allowing a cash rebate for all these soil care measures. We believe it is entirely consistent with the spirit and intent of the ITAA and the intent of the parliament to support land care. It is something both farmers and environmentalists have asked for over many years. We believe it is not subject to a high probability of abuse, because the act says they must be real landcare activities undertaken by farmers operating a farm for profit.

Both the Western Australian Greens and the Australian Democrats have proposed or supported amendments to address the problems with the limited usefulness of tax deductibility in many cases. We propose this to replace the government's amendments regarding limestone. We do not wish to strike out the government amendments without assurance that an alternative will get up, so we ask for an indication as to whether or not there will be support for our amendment No. 7. We give notice that we have an alternative for amendment No. 7.

If the Senate is not disposed to supporting our basic measure, our alternative is an even more limited alternative. It would allow a cash rebate but is highly targeted to the use of limestone for soil de-acidification. It would not include the other sorts of landcare measures covered by section 75D.

Since this replaces a cash rebate paid to quarries for the same purpose and is only payable if deductions cannot be taken even over a number of years, because of an insufficient tax obligation, we think this is a very

minimalist measure. It targets the benefit, is far easier to administer and overcomes basic problems for farmers.

Because we wish to ensure that removal of the government measures will occur only if ours replaces theirs, we will move our amendments together. This means that we need an informal indication whether other parties are prepared to support either our amendment No. 7 or the alternative 7 so we can withdraw one or the other. We do not wish to put amendment Nos 1 to 6 and risk having them passed without their being replaced by either our No. 7 or the alternative 7. If we do not get sufficient support to ensure passage, we will put our preferred amendment No. 7 and withdraw the more limited alternative 7.

We commend our amendments to the Senate. We hope that you will support our landcare measure, if not in the broad sense at least in relation to limestone. We believe it is responsible and sensible.

Senator SCHACHT (South Australia) (12.37 p.m.)—I endorse the remarks of my colleague Senator Cook yesterday when speaking to the Customs and Excise Legislation Amendment Bill (No. 1). I speak as the former customs minister. For three years I spent an inordinate amount of time in both this chamber and Senate estimates committee hearings discussing the diesel fuel rebate scheme. The scheme is one of the major programs of the federal government. It started in 1982 with about \$180 million in revenue forgone. The rebate is now approaching \$1,300 to \$1,400 million, and maybe \$1,400 million next year.

I was not going to speak on this bill, but in view of the rumour and speculation that have been going around in the last few weeks, I could not resist the opportunity. I see Senator Crane is sitting here. I have said to Senator Crane privately, 'You had better hope like hell your new government does not substantially amend or reduce the payments for farmers, miners, the fishing industry or forestry in its budget because I will give you heaps in this place.' He, Senator Panizza and Senator Ferguson spent an inordinate amount of time arguing over the definitions in the bill that I presented to the parliament and which

was carried. They wanted to tighten up the definitions and reduce the opportunities for loopholes, to make the bill able to be administered in the public interest and to guarantee that the money would go where it was supposed to be going. Then opposition senators used every opportunity to expand the application of the bill to new claimants.

Senator Crane—Not correct.

Senator SCHACHT—Yes, you did, Senator. I found it interesting that the speculation now—led by Mr Costello apparently—is that attempts will be made to reduce the size of this scheme and to reduce the payments. We wait for the budget.

What I find particularly interesting is that this bill is the same as the bill I introduced into the parliament towards the end of last year to overcome drafting mistakes. The government of the day accepted that, if there was agreement that these were just fixing up technical mistakes in drafting of amendments, the bill should be dealt with in the non-controversial time of the Senate. However, at that time, then opposition senators wanted to make further amendments to the bill to extend the categories under which people could claim diesel fuel rebate. We made it clear that we would not accept that; that was contrary to the undertaking we had given merely to overcome the drafting errors.

The bill before us overcomes those drafting errors—except there is a little addition, which Senator Cook mentioned in his speech. As from 1 July, diesel fuel rebate eligibility can be claimed for the extraction of limestone for use in the de-acidification of soil and agriculture. The explanatory memorandum states:

This will involve an additional cost of \$620,000.

I have to say, from my knowledge as a former customs minister, that that figure can be drawn from a hat. It could be \$620,000, it could be \$6,000 or it could be \$6 million. You cannot ask the customs officials to guarantee that this figure is correct.

Senator Cook—Rubbery.

Senator SCHACHT—It is the ultimate Philip Lynch rubbery figure. I do not in any way criticise customs officials. When I had discussions with them—the faces are the same

in the advisers' box—about any of these areas, they would say, 'Minister, this is a best guess we can make. This is what we could accept. This is what we could say to you may be the case.' This is a rubbery figure because you are saying it is for the quarrying of limestone, not mining.

First of all, how many limestone quarries are there around Australia? How much of the limestone is already being used for 50 other purposes than the provision of limestone for the de-acidification of soil and agriculture? Customs cannot tell you, nor should they be able to, because it is a guess. They do not know how many tonnes quarried each day from that quarry will end up being used for de-acidification work. They cannot tell you.

This opens up a really big loophole. Once the truckload of limestone leaves the quarry and someone says, 'This is for de-acidification,' there is no way customs are going to be able to trace it. Are you going to have customs going around checking that every truckload of limestone leaving every quarry ends up on a farmer's place for de-acidification work? Of course not. You cannot check it. You have to rely on self-assessment. In respect of self-assessment, I draw the attention of honourable senators to the recently tabled audit report.

About every two years, the National Audit Office goes through an audit of the diesel fuel rebate scheme. They have just done it. I will bet two bob to Sydney Harbour Bridge that in another two years they will do another one and the recommendations will be exactly the same. This scheme, the way it is presently administered and structured, cannot guarantee that all the money is spent in accordance with the policy intent of the government, whether it is Labor, Liberal, National Party or whatever. In this report, they estimate that \$76 million has been wasted in areas that are not covered and should not have got the money.

Senator Kemp—Under whose government was that?

Senator SCHACHT—I am glad you interjected, Kempy, because in two years time, when they do another one—

Senator Kemp—No, that wasn't the question.

Senator SCHACHT—No, no. In two years time, the only way you will cover it, Kempy, is to go even tighter on the restriction. I am taking your point. You should not put this extra definition in because it is open to roting. You will not guarantee that every tonne of limestone taken out of a quarry, said to be for the purpose of agricultural de-acidification, is going to end up there. There is no way you can guarantee it. The smarties will work out how to get hold of it. Remember that farmers already can claim that when they spread the limestone—

Debate interrupted.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator Reynolds)—Order! It being 12.45 p.m., we will now proceed to debate matters of public interest.

Space Research

Senator CHAPMAN (South Australia) (12.45 p.m.)—Implementation of the Liberal and National parties' wide-ranging election policy on science, technology and engineering must form an important part of fulfilling the key objectives of the very welcome newly elected Howard Liberal-National Party government. In particular, the new government must urgently implement its policy on the national space program contained in that document. The policy, although necessarily brief, highlighted Labor's dismal failure in this area and, importantly, committed a Liberal-National government 'to a viable space research program and fostering industrial and commercial applications' and 'to move quickly to provide direction in this important but neglected area'. The new Minister for Science and Technology, the Hon. Peter McGauran, reinforced the government's intentions to revitalise the Australian space industry in his opening address at the Spaceworks 96 Conference in Canberra in late March.

Having been involved in the development of this much needed commitment by the Liberal and National parties, which was very well received by those with expertise in

space-related activities, I want to take the opportunity today to propose the detailed policy flesh which needs to be added to the bones of that skeleton election commitment to bring it to life. It had been my intention to address this matter in considerable detail in the longer speaking opportunity afforded in the address-in-reply debate. However, the continuation of that debate is now uncertain. At the end of my remarks, I will be seeking leave to incorporate the balance of my speech in *Hansard*. I have already discussed that with Senator Cook.

It is appropriate to be addressing this issue at the very time when an Adelaide born astronaut, Dr Andrew Thomas, is circling planet earth as the first Australian to command a mission into space aboard the NASA shuttle *Endeavour*. I welcome the passage through the Senate without dissent this morning of my motion highlighting his achievement. The exciting adventure of Dr Thomas fits the general public image of space activities, which is of moon landings, exploration of the solar system and sophisticated scientific missions such as the Hubble telescope. These space science related activities are undoubtedly important and play a crucial role in enhancing knowledge of the universe and expanding the frontiers of science. Often these space missions intrigue and grab public attention for they are usually spectacular in their execution or their results and are major media events in their own right.

However, what is often overlooked is the less spectacular, sometimes mundane, but often more important, commercial and public good applications of space related technologies to everyday life. These applications range from weather forecasting, remote sensing of minerals and other hidden resources, environmental resource monitoring and pollution detection, TV broadcasting and other communications, surveillance of immigration barriers, drug running and illegal crop activities, to accurately estimating crop yields and growth rates. Applications can also monitor shipping and aircraft movements and provide data for global positioning, surveying and town planning. The list of benefits is becoming endless.

These applications are not luxuries, such as sophisticated and expensive space science spectaculars are often considered to be, but very real, pragmatic and commercially driven applications of a number of leading edge technologies. The information provided by these space borne applications is often essential for a modern nation's economy to operate effectively and efficiently for the benefit of its citizens. For example, honourable senators may not be aware that other major grain growing countries have a better idea of our wheat crop yield progress, protein content, et cetera, than we do. Their satellites regularly overfly and assess the wheat crops in Australia. Hence, they gain valuable commercial intelligence and marketing advantage. Australia must embark on a space technology and applications program which will ensure our national industries are not disadvantaged internationally and that the Australian community reaps the full benefit.

The space programs of other countries have different emphases and priorities, making international expenditure comparisons difficult. However, the magnitudes of variations do provide valuable insight. On a per capita basis for civil space activities in Australian dollar terms, the United States spends \$146, Japan spends \$24, Canada spends \$10 and Europe spends \$10 on average. Sweden, comparable in size to Australia, spends \$17. As I discovered while successfully leading a delegation of space industry executives there 12 months ago, Taiwan has recently increased its spending to \$5 per capita. Even India spends about \$1 per capita.

By contrast, Australia's current civil space budget is a paltry 38c per capita. This reflects the lack of commitment by the previous Labor government to this key area, as well as its general lack of commitment to government spending generally on infrastructure essential for the productive capacity of our nation to be unleashed.

During Labor's 13 years in office federal government spending on health more than doubled its share of the budget to 14.9 per cent, while social security and welfare increased its share by one-third to 36.6 per cent. Meanwhile, spending on infrastructure, in-

cluding grants to the states for this purpose, had its share of the budget fall by 26 per cent to a pathetic 1.9 per cent.

In cost-benefit terms, the experience of overseas countries indicates that the returns on civil space programs far outweigh the expenditure. The United States has estimated that for every dollar spent on the space program, the country gets a \$2 return. Europe and Japan have calculated the return to be higher at three to one. It has been estimated that Australia spends about \$600 million per year on the purchase of space related goods and services, mainly from overseas. The current return ratio for Australia would be at most about 1c for every dollar spent because we lack an effective civil space program.

There is not much doubt that in 10 years this loss to Australia will be of the order of \$1 billion, unless Australia takes steps to gain a measure of independent capability in important areas. This escalation of cost is increasingly imminent. Australia currently obtains at a very low and nominal cost extensive weather data from the United States and Japanese satellites, vital for four-day weather forecasts, particularly cyclone forecasts and warnings. Without satellite data, the forecasts are reduced to two days.

It is probable that in the near future Australia will be required to pay approximately \$40 million per year for this data, according to Bureau of Meteorology estimates. The European meteorological organisation has already begun to charge users for weather data from its satellite and is refusing data to non-payers.

In light of all this, it is pertinent to ask what the former Labor government in its 13 years in office achieved in this area, particularly since the Australian Space Board was formed in 1985. The answer is almost nothing. It ignored the most recent recommendations of two major independent reports on the Australian space program—the Madigan report in 1985 and the Curtis report in 1992. The interdepartmental committee report, commissioned last year because in its budget forward estimates Labor abandoned the space program, was ignored in the run-up to the federal election.

Labor has lacked a firm policy direction, provided no national coordination and allocated minuscule funding. The \$6 million to \$7 million provided each year has been barely sufficient to keep the lights burning. The previous Labor government's persistent failure to provide relevant infrastructure, research and administrative support and its multiplicity of destabilising reviews have resulted in space becoming Australia's lost frontier and in Asia regarding us as a technological backwater.

Through absence of clear policy direction, the current government agencies which have a significant direct and indirect involvement in space related activities or interests are not working cooperatively and cohesively to coordinate their activities and efforts in the national interest.

To camouflage this failure the Labor government wrongly pursued quick fixes which provided no benefits to Australian space related industries, nor did they develop Australian control of information flows arising from space technology, which are vitally important for our national economy. As a consequence, Australia's national sovereignty and independence have been diminished at the very time that the move towards international user pays for satellite sourced information is gaining ground. Time lost under Labor in developing our own space related facilities will prove costly in the face of this trend. The most recent minister responsible for this failure under Labor was undoubtedly a space-Schacht lost in space.

Australian space related industry has lost confidence and employment while technologically advanced skills and important infrastructure have decayed under Labor's mismanagement. Hence, Australia is not developing the skills and technological capacity to reap the rewards of future opportunities for advanced space technology.

In the United States, Europe and Japan, these skills and infrastructure which are important to space related industries have generated large spillover benefits for other industries and users. In Australia, the opportunity losses to the economy, which undoubtedly must have occurred from Labor's neglect, are significant.

To add insult to injury, Labor's administration of this nationally important area was so incompetent that in their last budget the Labor government made no provision to fund the Australian space program beyond the end of this financial year. The forward estimates contained a big fat zero.

Senator Kemp—Disgraceful.

Senator CHAPMAN—It is disgraceful, Senator Kemp. I understand that the sad outcome of Labor's vandalism is that the Department of Finance is now resisting the provision of funds beyond June to carry over the space program until the August budget, despite the fact that our election commitment should ensure a realistic budget allocation. There is an urgent need for a clearly defined policy and funding commitment to a renewed, long-term national space program.

Australia must accelerate its recovery from the detrimental consequences of the neglect of space industry development by the previous Labor government. We must urgently develop our scientific and technological capacities in order to benefit from rapidly advancing space related technology and to avoid being excluded from the political, economic, social and environmental benefits available to participants, particularly in the Asia-Pacific region.

Australia should also collaborate at international level in order to benefit from scientific participation and for industry to gain access to advanced technologies. This will prepare Australia for the 21st century by enhancing quality of life and contributing to the scientific and economic environment.

The development and successful application of space related technology supplements the development of technologies in fields such as telecommunications, robotics, computers, information processing, mining, and environment protection. Space technology affects all areas of the economy. The opportunity cost for Australia in perpetuating neglect or delaying further our commitment to space technology is the exclusion from the timely provision of, or even future access to, vital information and loss of existing technological achievements and expertise. Barriers to subsequent re-entry will be too high.

Adoption of my proposals by the newly elected Liberal-National government will ensure a new start with new directions and thrust for Australia's space activities. The immediate areas of concern and priority are: developing a limited series of small satellites targeted to give Australia a degree of independent capability to meet national information needs over the next decade in areas such as weather forecasting, mineral exploration, crop monitoring and surveillance; deployment of these satellites; rebuilding the industry and research skills and infrastructure in space technologies, and re-establishing industry confidence; re-establishing Australia's credibility as an advanced technology nation; and ensuring that national resources and abilities in space activities are focused, coordinated and guided by commercial realities or timely delivery of cost effective public good.

I believe that the rejuvenation of space activity in Australia, which has languished under Labor, requires the introduction of what I suggest should be titled the national space technology applications development program. The national vision and leadership this program would provide are desperately needed to revitalise Australia's space industry.

To achieve the objectives and deal with the priorities just outlined, the NASTAD program should be a cohesive, long-term program satisfying those specific national commercial and strategic needs which are necessary for national well-being and which can be more efficiently delivered through the application of space technologies.

Senator Bolkus—You'll be in orbit soon.

Senator CHAPMAN—I am disappointed that Senator Bolkus does not regard this matter as of some significance. The program management should grasp the unique opportunity to build an internationally credible, commercially driven national space program which learns from other nations' mistakes and reaffirms Australia's position as a technologically advanced nation.

There must be effective coordination and cooperation between federal and state governments and between commercial, civil and defence space related activities, together with a promotion of leading edge technology

development, with commercial application of earth observation, communications, other technologies—for example, global positioning systems and services, particularly where Australia has expertise or potential international competitive advantage or advantageous resources. At that point, Madam Acting Deputy President, it may be appropriate for me to seek leave to incorporate the balance of my remarks in *Hansard* as was previously agreed.

Leave granted.

The document read as follows—

This innovative program must remove impediments to industry investment and provide incentives for rejuvenating industry, space-related skills and infrastructure by increasing financial support, reviewing research and development incentives and focussing government administrative arrangements to make each more relevant to space industry needs.

Funding for space-related research should be redirected to, and where appropriate increased for, research in areas which directly support commercial or national priority needs. Relevant research areas may include communications technology, robotics, microgravity, miniaturisation, precision engineering, information processing, weather prediction or monitoring, environment protection and surveillance.

Interaction with the international space industry on international space ventures or issues relevant to Australia's interests and stimulation of community interest and support for the science, technology and benefits of space activities, through educational programs, should also be important parts of the Program.

While Labor's muddle headed approach has impeded achievement of these objectives, the Madigan Review in 1985 and the Expert Panel Review in 1992 both recognised inadequate funding as a major impediment. The Madigan Review recommended a Government funding level of \$20 million per annum. In 1996 terms, this equates to approximately \$33 million per annum.

The new Government should ensure long-term planning—even to twenty years—with an initial funding commitment of at least \$75 million for the first triennium. I urge this, even in the face of much needed general budgetary restraint, made even more necessary by Mr Beazley's \$8 billion black hole.

Even acknowledging this financial difficulty, we cannot afford to refuse adequate funding for a space program, for the reasons I have spelt out.

Adequate funding means substantially more than Labor's paltry \$6 million per annum.

The future costs of not developing an effective space program means it would be 'penny-wise and pound foolish' to deny adequate funding. Nevertheless, it is possible to stagger, over the triennium, the required increase in funding, with approximately \$10 million needed for 1996-97, \$15 million in 1997-98 and between \$50 million and \$60 million for 1998-99. With industry up and running by then, the requirement for government support in future years may well diminish.

For Australia to reap the widespread benefits provided by a space program requires both adequate funding and continuity of funding for a five year rolling program within the context of a ten year strategy. I will elaborate on the funding issue later.

Suffice to say now that this funding is urgently needed to restore Australia's international credibility in space, as well as delivering its many benefits. We should remember, it only represents approximately 55 cents, 83 cents and \$3 per head for each successive year of the triennium, still well below comparable countries and is only some 75 per cent of the present value of the Madigan funding recommendations.

Industry cannot achieve significant advancement in space-related technologies and consequent benefits without a substantial Government commitment. This is a significant difference between the space industry and other industry sectors.

Overseas experience confirms that Government commitment and support play an important role in the development and application of space science and technology.

However, let me reinforce that that commitment is repaid many times by successful programs.

To foster and generate active participation in NASTAD, the Government should give priority to the following areas:

- . providing a national and co-ordinated policy focus;
- . streamlining decision making and authority in national space related matters and in the Commonwealth sphere by placing all civil space authority and activities under 'one roof';
- . accelerating the development and deployment of the ARIES series of satellites and other space-borne technologies, for example the Atmospheric Pressure Sensor, which have been identified as national requirements or commercial opportunities;
- . establishing Woomera as a commercial launch and other space related facility; and

- . in conjunction with the NT Government, aggressively promoting the Darwin region as a commercial launch facility;

- . encouraging the private sector to undertake space developments and applications;

- . providing, through legislation, a commercially attractive environment for multinational and commercial space activities which also satisfies international treaty obligations in, for example, launch activities from Australian territory;

- . persuading other national space programs to undertake activities in Australia, such as the Japanese "Alflex" program at Woomera;

- . developing a small satellite manufacturing capability directed towards meeting identified national priorities, together with associated high-value added components and other products such as space qualified instruments, software and services;

- . ensuring that space related research in research institutions is relevant and time responsive to the industry's commercial needs or national priorities.

Key initiatives which I have thoroughly researched and developed which I believe should be implemented by the Government are:

- . The establishment of an independent peak body, made up predominantly of industry representatives, to integrate and co-ordinate the National Space Technology Applications Development Program, and to provide space policy advice to the Government. This will require amendment of the current Australian Space Council Act 1994.

- . Re-structuring the current Australian Space Office to provide more professional and substantive policy, technological and administrative support to the peak body.

- . Continued support for the current SIDC program—the Space Industry Development Centres—but with a re-focus of their activities away from research interests and towards commercial development and applications commitments. In conjunction with this re-directed SIDC program, the feasibility of establishing a National Space Technology Applications Centre, as a national facility for satellite technology development and integration, should be investigated.

- . Continued commitment to existing space programs if they are demonstrably relevant to the priorities of the new National Space Applications Development Program.

- . Support for the development of specific satellite instruments, components and sub-systems.

- . Strong continued support for Australia's current international collaborative activities such as the

NASA and ESA ground support facilities in Australia, and the 'Alflex' and Scramjet projects.

. Greater financial support and encouragement for the activities of the Australian Space Research Institute, including education programs for space skills at ASRI, the Australian International Space School and the International Space University.

. Support for Australian industry to participate in international consortia, including for the development of space-borne instruments and other space qualified equipment and components.

. A detailed assessment of Australia's needs and opportunities for launch facilities, including the revitalisation of Woomera for launch or other space related activities; and the arrangements or other incentives which would be appropriate to encourage commercial equatorial and geostationary launch operations from other Australian sites.

. Expert and authoritative missions to the major space nations encouraging bilateral commercially driven space activities, particularly in small satellite development and fabrication, and the promotion of Australian launch and other ground facilities.

An initiative which I believe the Government should especially explore is the future role and operation of the Woomera Prohibited Area. Currently the WPA is administered by the Department of Defence as a defence facility, principally as a support facility for the US Defence Satellite complex at Nurrungar. Areas are set aside for weapons and other trials by the Australian Defence Forces.

The US has publicly announced it will close the Nurrungar facility when the current lease expires in 1998. The US is intending to deploy new satellite technology which does not need foreign based ground stations. As the US makes a significant financial contribution to the cost of maintaining the Woomera facility, it would appear the Australian Department of Defence may have difficulty in justifying the continuation of Woomera for the limited use it would have of the facilities. The possibility of Woomera being closed as a consequence of this is a legitimate and continuing concern for the local community.

A major initiative which should be investigated is the transfer of the operational responsibility and funds for the Woomera facilities to what I have in mind as the successor organisation of the current Australian Space Office. The objective would be to encourage and facilitate the private sector to develop and promote Woomera as a commercial launch operation facility and as a range for other space related activities within a time frame of five to six years.

While many of the facilities remaining from the rocket range activities have been demolished or are dilapidated, there is much which could be refurbished at relatively modest cost, potentially to provide a world competitive launch and range facility. The land area within the WPA, the good communications system and infrastructure, very low population density, almost year round operational ability and favourable geographical coordinates makes Woomera a unique facility world-wide. Woomera is a resource which should be exploited to the national benefit.

As I mentioned earlier, I believe that the new initiatives which this Government should take in space policy and programs cannot be accomplished under the existing organisational arrangements. I believe the Government's policy commitment and my proposed initiatives can be most effectively accomplished by an independent Australian Space Commission. It would be led by a part-time Chairman, the Commissioner, an eminent, well-respected Australian with relevant experience, appointed by the Minister. The remainder of the Commission members should be drawn predominantly from industry.

I believe that the Commission should have not more than seven members, with four from the private sector, one representing the States and Territories, with at least Deputy Secretary level representatives from the Departments of Defence and Industry, Science and Tourism.

The Deputy Commissioner would be a full-time managerial appointee and also Executive Director of the re-structured Australian Space Office.

The new Australian Space Office should have sufficient technically qualified and administrative staff to ensure quality support for the Commission and professional implementation of the National Space Applications Development Program. There can be no doubt that lethargy has developed within the ASO under the combined impact of Labor's neglect and some inappropriate staff appointments. While the existing elements of expertise must be retained, the lethargic must be excised.

The functions which the Australian Space Commission should encompass are:

- . providing information and advice to the Minister on any space related matter specified by the Minister;
- . recommending policy, new policy initiatives or priority issues to ensure delivery of an effective, co-ordinated civilian space program;
- . providing advice to the Minister on all matters relating to Australian space activities including international aspects;
- . under Ministerial guidelines, developing for the Minister's consideration, 3, 5 and 10 Year rolling

plans and forward budget estimates for the National Space Technology Applications Development Program;

- . preparing annual reports on Australia's civilian space programs.

- . providing a co-ordination mechanism for civilian and defence space activities;

This latter point is especially important. Given the utter inadequacy of recent funding for the Australian Space Program and its fledgling nature, combined with our relatively small population, it makes no financial or project development sense at all for the Defence Department to be off doing its own thing on space, such as the JP2044 surveillance satellite project.

With the potential for data encryption, there is no security reason why defence and civil space applications cannot share the effort, research, development and final products of an Australian space program in a properly co-ordinated way.

While the Defence Department may buck at this perceived encroachment on its territory, my proposed Australian Space Commission must have the authority to co-ordinate civil and defence space activity to ensure maximum benefit is obtained from scarce financial resources and unnecessary duplication of effort and expenditure is avoided.

The Commission should be the first point of contact and the Australian representative in international forums and space activities.

An important part of the functions of the Commission would be to establish a number of Expert Standing Sub-Committees in, for example, Earth Observation Applications, Commercial Space Communications, R&D and Instrumentation, Infrastructure Development, Launcher and Launch Services, International Policy, Legislation, Education and Marketing. I would also anticipate that the sub-committee members would be senior personnel drawn mainly from the private sector.

The National Space Technology Applications Development Program should have several phases staged over a ten year period. The first two phases would be to implement priority needs.

Specifically involved in Phase One would be:

- . First, accelerating the construction of the Australian designed ARIES I small satellite which is currently being fabricated by Australian industry for use by the Australian mineral industry. The scientifically advanced sensors aboard ARIES will provide geological information otherwise difficult or impossible to obtain by other means, as well as gathering environmental and agricultural data on Australia and worldwide. A goal of Phase One would be achieving the launching and orbit deployment of ARIES I by the end of 1998.

- . Secondly, upgrading the ground stations at Alice Springs and in Tasmania to receive the data from ARIES and having facilities ready to process, interpret and distribute the data.

- . Thirdly, commencing user requirements and design studies on ARIES II, including the development of a major meteorological sensor, for example, the Atmospheric Pressure Sensor, with a view to its development in the year 2000, as part of Phase Two.

The successful conclusion of Phase One would also require:

- . identifying the technological requirements and industrial capabilities needed for Australia to selectively target new and emerging space markets;

- . encouraging and facilitating industry capital investment and skills development in order to be able to compete in identified market opportunities;

- . forging closer links with Australia's regional partners and nations with major space programs;

- . consolidation of studies on Australian commercial launch service operations from Woomera including options and costs for refurbishment of Woomera facilities;

- . enactment of Australian launch management legislation;

- . strong promotion of Darwin as a viable commercial launch site for heavy geostationary and equatorial launch operations;

Phase Two would involve the:

- . initiation of final design and fabrication of ARIES II

- . design studies for an Australian Synthetic Aperture Radar satellite

- . fabrication, testing and integration of the weather instrument, the Atmospheric Pressure Sensor.

- . launch and orbit deployment of ARIES II and the weather instrument by 2001-02.

Phases I and II would also include continuation and appropriate expansion of funding of current space programs which it is considered contribute to, or could be modified to, the priorities of the new National Space Technology Applications Development Program. These include the SIDC scheme, the Australian Earth Observation Network (AEON), educational programs and international activities and liaison.

The space industry, along with most other advanced technology industries, requires budget predictability in quantum and time. It needs a stable but flexible budget expenditure commitment over at least 5 years. If the private sector is to make its own

capital and people investments it also needs to know that the Government has a longer-term commitment to the industry. Meaningful international collaboration requires Australia to convince potential international partners that it has a credible space program and a long term commitment.

Under Labor, for more than a decade, all these necessary prerequisites were neglected. Indeed, by

cutting the forward estimates for 1996-97 to zero, Labor has severely jeopardised Australia's space program. I estimate that the Budget for the National Space Technology Applications Development Program for the first three years (in 1996/97 dollars) should approximate the following if it is to meet the pre-requisites just outlined and deliver the benefits of the priority projects identified:

PROPOSED BUDGET—NATIONAL SPACE PROGRAM

| Item | 1996-97 \$million | 1997-98 \$million | 1998-99 \$million |
|---|----------------------|----------------------|----------------------|
| 1 Commission and Administrative Support | 2.80 | 2.80 | 2.80 |
| 2 International Activities | 0.15 | 0.15 | 0.15 |
| 3 ARIES I Development Costs | 1.30 | 2.40 | 11.3 |
| 4 ARIES Launch | | | ≈16.0 |
| 5 APS Development | 1.50 | 2.50 | |
| 6 APS Launch | | | ≈6.0 |
| 7 ARIES II Design & Development | | 0.50 | 1.50 |
| 8 SAR Design & Development | 0.30 | 1.50 | 2.50 |
| 9 SAR Launch | | | ≈5.0 |
| 10 Light Comms Satellite Development | 0.30 | 1.50 | To be Assessed |
| 11 SIDC Scheme | 1.20 | 0.70 | 0.40 |
| 12 R/S STDC | 0.25 | 0.50 | 0.25 |
| 13 NSTAC | 0.18 | 0.30 | 0.40 |
| 14 Other STDCs | 0.50 | 0.50 | 0.40 |
| 15 Education | 0.35 | 0.35 | 0.35 |
| 16 ASRI | 0.33 | 0.33 | 0.33 |
| 17 Woomera Refurbishment | 0.20 | 1.00 | ≈3.0 |
| 18 AEON | 0.50 | 0.50 | |
| 19 Launch Legislation | 0.10 | 0.10 | |
| TOTAL | 9.96 | 15.63 | ≈50.0 |

As can be seen, the bulk of funding for the triennium, approximately \$50 million, is required in its final year, 1998-99 because the completion of manufacture and the launches of the instruments occur in that year. Two factors could boost this requirement to more than \$60 million.

First, if refurbishment of Woomera costs more than the estimated \$3 million and secondly, if the launch costs are higher than estimated. However, this second potential cost escalation could be eliminated by limiting the Government's contribution to that indicated and requiring the private sector to meet the balance, given that they will be involved in funding other aspects of the projects.

There needs to be flexibility in funding to allow a carry-over of funds to subsequent years in the event of unavoidable schedule slippage, technical failure or delays—not uncommon events in leading edge technology development.

My current estimates of the total funding required for bringing Phase Two to conclusion over the two

years 1999-2000 and 2000-2001, is approximately \$65 million, an annual requirement substantially less than for 1998-99. In the context of Mr Beazley's \$8 billion Budget hole, new additional funds will be difficult to find for the space program. Nevertheless, for all the reasons I have spelt out, the money must be found.

Under my proposal for co-ordination of defence and civilian space programs, under the Australian Space Commission, I believe the modest increases in funds required for the next two years could be found from the Defence Budget, especially from within the Defence Science Budget.

Australia simply cannot afford to have the Defence Department going it alone on space program expenditure. A relatively modest redirection of funds from the Defence Department to my proposed Australian Space Commission, combined with effective co-ordination between civilian and defence space programs, would ensure adequate funds to revitalise the space industry and a mutual sharing of its benefits.

For the third year, where a more substantial increase in funding is required, the importance to the environment of this program justifies funding from the Natural Heritage Trust Fund to be established following the privatisation of Telstra. The extra funds required by and large, are capital in nature and so meet the purposes of this proposed environment fund. In conclusion, the key requirements to ensure the proper fulfilment of the new Government's election commitment on space are:

- . increased funding;
- . a new structure;
- . co-ordination of effort and resources;
- . identification of and support for our areas of competitive advantage.

I urge relevant Ministers to actively support my proposals, in particular the Minister for Science and Technology, Hon. Peter McGauran, his Cabinet superior, the Minister for Industry, Science and Tourism, Hon. John Moore, Environment Minister, Senator the Hon. Robert Hill, Communications Minister Senator the Hon. Richard Alston, Defence Minister Hon. Ian McLachlan, Defence Science and Personnel Minister, Hon. Bronwyn Bishop, Primary Industries and Energy Minister Hon. John Anderson and Resources & Energy Minister Senator the Hon. Warwick Parer, together with those Ministers who hold the purse strings, the Prime Minister, Treasurer Hon. Peter Costello and Finance Minister Hon. John Fahey, especially in the Budget process.

Violence

Senator CHILDS (New South Wales) (1.00 p.m.)—Several weeks have passed since the shooting of 35 people in Tasmania. This period has been one of soul-searching for Australians and the result of the soul-searching has been a loud message to the Australian government: we must control access to guns. Ordinary people have demanded action on gun control and governments have responded to that pressure in a bipartisan way, with tough new laws.

Despite the evidence of overwhelming support for tougher gun laws, the gun lobby has dragged out its tired, second-hand rhetoric about individual freedom. We hear them once again using the United States rhetoric about the right to bear arms. Surely it has no place in Australia. I believe it is time for us to take a good hard look at our culture and decide whether we want to become a carbon copy of the United States.

Restricting access to firearms is, of course, only part of the solution because guns are only part of the problem. I am concerned about the developing culture of individualism in Australia. I do not use the word 'individualism' in its positive sense, of individuals feeling free to express their true selves, but in a negative context of citizens being concerned only with themselves and not with their communities.

To begin to understand the Tasmanian tragedy, I believe we must examine the whole picture. We need to look at the economic and cultural context in which these acts took place. I should start by making it very clear that I am not anti-American. I believe there is much that unites our two peoples. We are both open, direct and democratic. However, in Australia at the moment, we live in an electronic environment increasingly dominated by American popular culture.

In 1994-95, 45 per cent of films shown in our cinemas were American. Most of the highly promoted blockbusters were from the United States. Less than 10 per cent of the films in our cinemas were Australian. People under 30 years of age have had their lives saturated with US TV, films, video games and music. As a result, our young people are constantly exposed to America's failure to deal with poverty, alienation, racism and unemployment. They are exposed to the symptoms of growing inequality in the United States: alienation, despair and violence on one hand and, on the other, the growing power of the wealthy to cushion themselves from the realities of life for their fellow citizens.

In 1992, George Bush, then President, followed up a Republican convention which saluted family values with an autumn campaign in which he happily appeared before crowds with two Hollywood film stars prominently in tow—Bruce Willis of *Die Hard 2*, a movie with a total body count of 264 deaths, and Arnold Schwarzenegger who gunned down 17 police officers in *The Terminator*, and bellowed, 'Consider this a divorce', just before he shot his wife in *Total Recall*, which was shown last Saturday on Sydney TV.

While family values is the catchphrase of the day, both here and in the United States, the dominant theme on our screens is violence. And of course the link between screen violence and violent behaviour is subject to some debate. It is impossible to ignore the fact that constant exposure to violence, desensitises viewers to that violence. After a while, violence is not properly abhorrent to them—they just accept it.

US social commentator, Christopher Lasch, touches on a further hypocrisy when he says: Republicans may hate what is happening to our children, but their commitment to the culture of acquisitive individualism makes them reluctant to probe its source.

They glorify the man on the make, the small operator who stops at nothing in the pursuit of wealth, and then wonder why ghetto children steal and hustle instead of applying themselves to homework.

Clockers, a recent film about kids selling crack cocaine, explores the issue of acquisitive individualism. It shows the obsession in youth culture with acquiring the right shoes, the right video games and the right car, and it also shows that there is no way for ordinary Americans, especially African-Americans or other disadvantaged groups, to achieve the American dream, except by participating in high risk, high profit, illegal acts.

The crack sellers in *Clockers* rarely use the drug they sell. They have only contempt for the crack addicts who are their clients, but they live in a supply and demand world. They do not care about the social effects of their actions or about the effects of crack on their community. They have firmly grasped the 'invisible hand' of the free market and are counting on that helping hand to boost them up the socioeconomic ladder.

Donald Trump is a much-admired American: a slum lord who, using hired goons, turned poor people out of their homes when those homes became valuable real estate; a man whose conspicuous consumption is contrasted with his unwillingness to give a homeless person enough money for a cup of coffee because it would undermine their incentive to get work. He is an American hero. Are these the sort of heroes we want foisted on our young people? Just as we must

reject American rhetoric about mythical 'right to bear arms' issues, we must also reject the culture of acquisitive individualism in which self-respect is dependent on material possessions.

The United States is a more violent society than Australia. The murder rate in the United States is almost five times that in Australia. Murders in the United States reached 9.3 per 100,000 in 1992, compared with Australia where the figure was 2.1 per 100,000. In some American cities, gun death is the most common form of death for people under the age of 25.

Violence against women—always a measure of an uncivilised society—is also high. In 1992 a study concluded that 1,900 women are raped each day in the United States—that is, 1.3 adult women every minute. One in eight adult American women have been raped. Successive United States governments have attempted to solve the problems of violence by getting tough on law and order. The gaol population in the United States continues to grow, yet the crime rate does not decrease.

In the United States in 1993, 367 people out of every 100,000 were in gaol. In Australia in the same period, the rate was less than one-quarter of that. In fact, recent calculations have shown that, at any one time, one-third of African-American men under the age of 25 are either in gaol or on parole. The United States and Australia share an appalling record on racial discrimination. In the United States there is a distinct link between race and the likelihood of being shot or gaoled.

There is no question that the United States has a problem with violence, and a significant factor is the high level of gun ownership. In 1993, 42 per cent of Americans surveyed said they had a gun in their home. In Australia the figure is about 3.5 million guns, or one for every four people, according to National Committee on Violence estimates in 1990. Figures for death and accidents relating to guns are four times higher in the United States than in Australia. In Britain and elsewhere—and this is very significant—where levels of gun ownership are lower, figures for gun deaths are also lower. Yet the gun lobby is somehow trying to convince us that a high

level of gun ownership will increase our personal safety.

A 10-year study in Queensland—your home state, Madam Acting Deputy President—shows that of around 700 deaths only one was caused by a home owner using a weapon to protect their home and family from an intruder. That is one in 10 years, in your state of Queensland. The majority of gun deaths were suicides, accidents or murders. In 1994 alone, there were 420 suicides, 20 accidental deaths and 79 murders using guns. These figures do not take into account the years of fear that some families suffer when a family member owns a gun with which he threatens his wife and children—or even threatens to take his own life—in order to control his family. How can we calculate the misery of women who live with domestic violence and the added fear they face when there is a gun in the house?

Much of the recent commentary about the Tasmanian tragedy has focused on the link between the modern cult of the individual and the incidence of mass murder in Australia. Dr Rod Milton, a senior forensic psychiatrist, wrote in the *Sydney Morning Herald*:

I suspect that in the current wish for self-expression and personal fulfilment, we have reduced the need for individuals to be concerned about the effects of their behaviour on others . . . Our society's obsession with the individual rather than the good of the community, is a major contributing factor to these crimes.

We have heard the alarming rhetoric recently from the pro-gun forces, many of whom are funded by gun makers and importers. The logical extension of this sort of rhetoric, which we heard last week in Gympie, is the development of United States-style militias, like the one that Timothy McVeigh and his brothers belonged to when they blew up the Federal Building in Oklahoma City. They are not the sorts of values we want to promote in Australia.

I strongly support the bipartisan moves towards tighter gun rules. This is an excellent beginning when it comes to making Australia a safer and more peaceful place to live in; but it is not a solution in itself. We must make difficult decisions about the amount of violence on our television and cinema screens.

We should support our domestic film industry, which produces high-quality and generally non-violent films. We must de-emphasise materialism and capitalist values—to coin a phrase—that define a person's worth by what he owns. We need to promote citizenship and develop the notion that all Australians have the right to a job, housing, education, health care and other necessities of life, as well as a responsibility to participate in our democracy. Finally, and perhaps most importantly, we need to resurrect the Australian tradition of mateship—of people collectively helping an individual down on their luck.

Environment

Senator WOODLEY (Queensland) (1.13 p.m.)—Madam Acting Deputy President, before I address the issue that is on my mind today, I would like to commend Senator Childs for his speech. I think it is very important to underline the connection he makes between violence in the community, where people are treated as commodities, and the results of that violence in the tragedies which we have experienced.

However, I turn to a subject about which I spoke on Monday night—that is, the worrying approach to environmental management of the Queensland state government and the federal government's apparent lack of interest in preventing decisions which would damage the environment in Queensland. In my speech on Monday night I mentioned a number of decisions and policy approaches of the Queensland government. One of those is the government's determination to connect areas north of the Daintree River to the main electricity grid. I know that you, Madam Acting Deputy President, certainly are concerned about this as well. The importance of preserving the magical environment of the Daintree region was demonstrated by the Daintree rescue package in which the former state and federal governments agreed to buy up to 300 blocks of freehold land in the region, with the land purchased to be converted to national park status.

The connection of households in this region to the electricity grid is a crucial issue, which has the potential to impact dramatically upon the very sensitive and precious ecological

values of the Daintree region. Despite this, the Queensland Minister for Mines and Energy, Mr Tom Gilmore, remains unwaveringly committed to pursuing this option. Indeed, he restated his position in the Queensland parliament only a week ago.

I was provided with a copy of a brief to the minister from his Office of Energy Management, which I found of great interest. It is an eight-page briefing that outlines the issues very clearly. I would have sought leave of the Senate to table the document but, as I understood Senator Kemp, the government will not give leave. I get the feeling that the government is always afraid of the facts.

Nevertheless, this is an extremely well-written and easy to understand brief which outlines the issues and costs of supplying power to the Daintree area. It clearly shows that connecting the Daintree region to the electricity grid risks significant environment impacts and that it would not be commercially viable, costing far more than extending the remote area power system which has operated in the area to date.

Indeed, it calls into question the costs and figuring provided to date by the Far North Queensland Electricity Commission, FNQEC. Having become reasonably conversant with electricity issues in recent times, through issues such as Eastlink, it does not surprise me that the costings and projections that are being put around by FNQEC are somewhat rubbery.

Whilst this is an important issue for Queensland, and the state parliament, it also impacts directly on the Commonwealth, as the briefing makes clear that it is likely that Commonwealth approval will be required to enable access through World Heritage areas. The briefing also makes clear that the introduction of power would increase the value of land, which would adversely impact on the government's ability to buy back any of the 300 blocks through the Daintree rescue package.

This package includes Commonwealth funds, although the new federal government's commitment to providing ongoing funds for existing environmental programs is under serious question and, I must say, with that,

the seriousness of its overall commitment to the environment. The rescue package, I believe, is vital to this area. When you visit this area, and I consider it a great privilege to have been able to do so, it is a shock to realise that so much of it is privately owned freehold land. There are 1,089 freehold blocks of land in the Daintree region. Couple this with the lack of adequate vegetation clearing controls in Queensland, the presence of some local developers such as the infamous George Quaid, who is looking for profits regardless of the environmental damage it wreaks, and it is clear that the area is under great threat.

To highlight the ecological importance of this region, I will quote one paragraph from the brief. It says:

The Queensland Department of Environment has advised the OEM that the biological and landscape values of the Forest Creek, Cape Kimberley, Cow Bay and Cape Tribulation areas not appearing in the World Heritage listing, include outstandingly high plant and animal diversity and high concentration of threatened species of plants and strongholds for vulnerable animals. Failure to extend effective protection to this area would threaten Australia's international standing as a signatory nation to the World Heritage Convention.

Let me underline that this was the advice given to the Queensland government.

The paper not only outlines the potential environmental impact of such a move by the Queensland government, and its threat to the effectiveness of the Daintree rescue package, it also shows that subsidies of over \$10.9 million would be required to enable grid connection in the region. The briefing also states that the figures being supplied by FNQEC assume an expectation of further settlement in all areas but the briefing points out that this will not happen in the short-term or medium-term.

I reiterate that this is an important issue which could permanently undermine the ecological integrity of the wet tropics World Heritage area. The government's briefing makes clear that the value of tourism to the area, which is estimated to be around \$100 million annually, is dependent on the maintenance of the natural heritage values of the area. Surely, in an issue of such importance which, advice from his own department

indicates, raises significant difficulties, the Queensland mines and energy minister should take some time to examine the issue and ensure that more adequate local controls and plans are in place. He should consider providing support so that people in the area can access renewable energy, and there are a number of experimental plants already there. This is an option which his own department indicates would be more cost-effective, as well as less environmentally damaging.

Industrial Relations: Small Business

Senator MICHAEL BAUME (New South Wales) (1.20 p.m.)—Today in this debate I want to raise yet another reason, on top of all those reasons that I think most senators are aware of, why there has to be a whole series of improvements and corrections to the mess that really constitutes our industrial relations laws. We just have to fix up this mess if we are going to become an efficient and effective nation competing in the world and if we are going to give small business a fair go.

I am particularly concerned about the impact on small business of a whole series of industrial relations laws which provide a capacity for harassment and oppression of very small businesses by unions who are minded to carry out such activity. For example, in a sense, what I am going to talk about one could describe as a sort of blackmail on little operators in the travel industry. They are family businesses, with people who may well not even employ outsiders in their businesses but who at this very moment are being subjected to a form of blackmail to force them under federal awards when in fact so many of them are meeting state award requirements.

In particular, I want to deal with a question that will come up next Monday because this is listed in the Industrial Relations Commission for next Monday. The little travel agents have been notified of an industrial dispute between the Australian Municipal Administrative Clerical and Services Union and the Heidelberg Travel Service Pty Ltd and others, regarding a log of claims and terms and conditions of employment. I will deal with how absurd the log of claims is, but everyone is accustomed to absurd logs of claims. I will deal with that later.

What concerns me at the moment is the way that the log of claims is used as a blackmail weapon to force these little operators to come under the federal award arrangement rather than maintain the system under which they meet state award requirements. I am glad to say that the proposed legislation that this government is introducing will stop, to a large extent, this kind of behaviour which forces people out of one jurisdiction, where they are meeting one set of requirements, into another.

Obviously there are also inter-union problems with this. As I understand it, in many states people in the travel industry operate under the local clerks award. However, a different union, the Australian Services Union, is forcing little people, who have not got the capacity or the financial resources to appear before the Industrial Relations Commission, into this particular set of awards.

Let me read to the Senate the sort of letter that a little family travel agency business has received. The letter, which is signed by the National Secretary of Australian Municipal Administrative Clerical and Services Union, says:

We forward herewith

a log of pay and conditions of employment, and demand on behalf of members of the Union now employed—

there are not any in this little business—

or hereafter to be employed—

there is no intention of employing them—

or available for employment—

there are a whole lot of people available for employment—

that you grant to all employees, whether members of the abovementioned Union or not, such pay and conditions of employment as outlined in the log.

There is no suggestion that the workers there seek approval and there is no involvement of industrial democracy in what they want. The log includes a requirement that after eight years if you are a senior consultant, you should get up to \$150,000 a year. It is an absolute farce. The purpose of that is simple and I will explain what it is all about shortly. In other words, it is an absolutely nonsensical log of claims. There is no intention on the part of the union for that log of claims to be

met and it is a sham, a farce and a piece of clear, uncomplicated blackmail.

The letter continues:

If you fail to concede to this demand within SEVEN (7) days after the date of receipt of this letter, it is the intention of the Union to bring the resultant dispute before the Australian Industrial Relations Commission with a view to obtaining an award based on the said log of claims pursuant to the provisions of the Industrial Relations Act 1988.

In other words, 'Here is a ruddy great mallet, and you had better agree to it or else.' The only way to get before the court is to create a dispute. A dispute is created by putting in a phoney log of claims. This whole thing is a farce. It continues:

It is the intention of the ASU to utilise conciliation processes in pursuing settlement of any dispute arising from this log of demands.

Would you please address all correspondence—

And it continues on. The recipient of this demand, who is running an ordinary family business, wrote to Vice-President Ross of the Australian Industrial Relations Commission, before whom this matter was to be heard, and said:

In regard to an Industrial Relations Commission Notice

. . . I am in receipt of this Notice which has been served on me. I am wondering why the unions are in dispute with me, as I am a small family business employing one person only apart from the family members, who are Directors of the company or shareholders, and this one person is a trainee only.

And, I might say, a trainee receiving federal sponsorship and support under those trainee schemes—

Two other people work on a commission basis, and three people work on a casual basis at well under 20 hours a week. My office adheres to the rules that are set down by the Clerical Workers Award—

that is, in New South Wales—

and we pay a little above the award. I therefore cannot see why I have been informed that the Australian Municipal, Administrative, Clerical and Services Union are taking me to court. I have read through the log of claims and am amazed at where the money would come from to pay for these wonderful benefits.

I request to be exempted from this hearing, as I know nothing at all about this claim, and our one employee is a trainee which is not covered by this log. It has been extremely difficult to find out

anything about this log of claims and I am still at a loss as to why my company has been involved. I ask that I be exempted from appearing at this hearing, as currently one of our family and therefore a member of the company, is away, and we are extremely busy, and this being a service industry we must give first-class service to our clients at all times.

Well, such is the industrial relations system that she got no reply at all to that letter, naturally, because, after all, this is a system that suits the industrial relations club not the small business person.

The person who runs this small business has written to me saying:

We earn 5% on domestic tickets 9% on international tickets. Package deals and hotels (when they pay) 10%.

The average agency out in the burbs has a turn over of A\$750,000.00 to A\$1,250,000.00.

That sounds terrific. But that is just the value of the tickets they sell. The letter continues:

So you can see in their greed—

that is, the union's greed—

they have not done any research to see what the earnings of travel agents are. They might also note just how many airlines are going broke and equipment is being neglected because of cheap fares.

But the reality is that, if \$1 million is the total value of the average sales for a small suburban travel agent, on those figures, \$1 million sales would mean revenue of only about \$90,000 to cover all costs and all wages of all employees, insurance, rent and heaven knows what. So, obviously, it is a nonsense.

The reality is that, under the state award, a senior travel consultant after four years gets about \$25,000 a year, but that many of the agencies provide bonuses. Apart from providing, I think, four weeks leave, many of them provide additional leave which is called educational leave. In other words, that is when you get free trips—which travel agents must do, I guess, to be able to provide decent advice to the customers who come in.

The fact is that there is no real and serious proposal to increase the \$25,000 or \$26,000 to \$150,600. It is simply a device to force the travel agents into a phoney dispute so that they can be forced into the federal award instead of the state award system. Among

other things, it is proposed that each employee shall be granted two hours of paid banking time per week. I do not know whether that is because they will need some escort to go down to the bank in order to bank the \$150,600 they are going to get after eight years service, according to this ludicrous log of nonsensical claims.

The big question that concerns me is the use of this kind of blackmail, effectively. For example, one of the large travel agents who were hit with this said that when they got this claim they were quite happy to respond to the award as it applied anyway. They were particularly happy to respond to it, because the union said that the ambit claim would be dropped if the company became a respondent to the award. That is simple, uncomplicated blackmail.

You have got to go before the court and fight and have a hassle unless you give way on a matter which bears no relation to the merits of whether workers should get \$150,600 a year, but the union would not proceed and would drop the ambit claim if the company became a respondent to the award. The company said, 'Yes, we certainly will. Our only complaint is about the manner in which you are requiring us to do this, not about the fact that we have to do it, because we are paying better than that award anyway.'

What does cheer me up in this sorry saga is that the Workplace Relations Bill that the government is introducing will provide that the commission must not *prima facie* make a federal award covering a company currently under a state award. This, of course, will totally reverse the current onus, which is to make a federal award unless there are good reasons not to. Under our proposals, the commission may only make a federal award in such circumstances where there are public interest reasons for doing so. However, under our proposals, in considering the public interest, the commission must give primary consideration to the views of the employees; that is, not to the views of the union but to those of the employees.

You will notice that nowhere in the arrangement that is going to come before the court next Monday for the little travel agents

is the word 'employees' used in terms of any sort of industrial democracy. It is the union making the claim on behalf of non-existent union members who simply do not exist within quite a few of the little companies who have received this threat.

I might say that, on that basis, some of these little family companies have said, 'Well, we were not going to employ anyone anyway, but I can tell you, if we were going to employ anyone, we sure wouldn't employ a member of that union, after what they have done to us!' They just cannot afford to attend this kind of court action to protect their own interests. They cannot afford to pay the money to the industrial advocates and to whoever else is necessary.

The important thing in our proposal is that, if the company has a state agreement or subsequently enters into a state agreement, a federal award can have no application. I am glad to hear that, and I would hope that the small agencies involved will resolve this matter. What depresses me is the way blackmail is being used against little operators, adding to their costs, their burdens and the problems they face in an environment which is very competitive anyway, simply to aggrandise one union—the federal one—as against the situation where state awards are being met anyway or are being bettered. This is all for the benefit of the unions and not for the employees, and that is one of the reasons we need the legislation which is now coming before this parliament.

Aboriginal Deaths in Custody

Senator CHAMARETTE (Western Australia) (1.36 p.m.)—Madam Acting Deputy President, I thank Senator Lundy for allowing me to take the call briefly to seek leave to incorporate in *Hansard* a document, which is a media release put out by the Aboriginal Deaths in Custody Watch Committee, by way of explanation for the notice of motion that I gave in this place earlier today. I seek that leave.

Leave granted.

The document read as follows—

Aboriginal Deaths in Custody Watch Committee
Room 34, Level 1, Trades Hall, 4 Goulburn St.,
Sydney, NSW, 2000. Postal: PO Box 65, Broad-
way, NSW, 2007.

Phone: (02) 264 9895 (24 hours) Freecall: 1800
803393 Fax: (02) 264 9916

Media Release

Thursday 9th May, 1996

5 Years After The Royal Commission

"Today Thursday 9th May marks five years since the handing down of the 339 Royal Commission Recommendations. There is however NO cause for celebration nor great achievements in the implementation of the Recommendations. There is great cause for concern that the Howard Government has still not called for a National Summit of Corrective Services Ministers to meet with representatives of the Aboriginal Legal Service, Aboriginal Medical Service, Mick Dodson's office and ourselves. This was the constant call of the previous Shadow Minister Chris Gallus but it now appears to have been shelved," said Ray Jackson of the Aboriginal Deaths in Custody Watch Committee.

"The House of Representatives Report in 1984 called Justice Under Scrutiny was scathing in its findings of non implementation of the Recommendations at all Government levels and recommended to the then Prime Minister that State/Territory Governments be held accountable for this lack of will in implementing the Recommendations," he said.

Since May 31 1989 there has been 92 Aboriginal Deaths in Custody, 92 over a 5 year period. The original Royal Commission looked at 99 deaths over a 9 and a half year period. What difference the Royal Commission Recommendations?

We have continually raised our voices to the total lack of concern about the proper implementation of the Recommendations. A prime example is Recommendation 87 which states that "arrest should be as a matter of last resort". The arrest rate in NSW, at least, has doubled since 1989. Recommendation 92 states that "incarceration should be as a matter of last resort". Incarceration rates in NSW have more than doubled since 1989.

An Aboriginal person is 30 times more likely to be arrested, charged and imprisoned than a non Aboriginal person. An Aboriginal teenager is 18 times more likely to end up in a juvenile detention centre than their non Aboriginal peers and the incarceration rates of women is dramatically high with Aboriginal women comprising at least 20% of the female prison population despite representing only 1% of the female NSW population.

The sharpest increase in goal deaths has been among Aboriginal inmates. In 1995 there were 16

Aboriginal deaths in prison custody nationally, an increase over 1994. So far this year 6 Aborigines have died in custody—2 in Queensland, 2 in NSW, 1 in Western Australia and 1 on the Tiwi Islands in a police lock up.

The figures speak for themselves. If the recommendations were being fully implemented these statistics would not exist. Law and Justice comprised half of the Royal Commission Recommendations. "If the most fundamental recommendations are not being implemented, we cannot feel too optimistic about the implementation of other Recommendations. Social justice recommendations are not being considered".

"The recent allegations involving Western Australia's State housing department, Homeswest are an indication of this. Aboriginal disadvantage in the area of housing and infrastructure was clearly documented in the Royal Commission Report. The report stated that local government plays a critical role in meeting the needs of Aboriginal people. Homeswest eviction processes, which have increased almost 100% each year are to the detriment of Aboriginal welfare as Aborigines are the majority of people subject to these orders. The situation in other States, whilst not as extreme as Western Australia, are similar," he said.

"Senator Herron said that he found it extraordinary that \$400 million had been spent on the problem of black deaths in custody without any improvement. The previous mentioned Parliamentary Report also found that millions of "taxpayers dollars" could not be accounted for. If the Federal Government has a commitment to this issue then now is the time to back up your words by taking action".

"The problem of a death in custody will not simply disappear. The Federal Government must be proactive in this and all issues of Aboriginal disadvantage. As the new millennium approaches, where will Australia stand in the international arena on their treatment of its Indigenous peoples? The recent visit of Amnesty International was appalled at the lack of change with the custodial system Australia wide since their last visit," said Ray Jackson.

Further information: Ray Jackson on (02) 264 9895

National Museum of Australia

Senator LUNDY (Australian Capital Territory) (1.36 p.m.)—I am extremely concerned about the future of the National Museum of Australia, and I am particularly concerned about it given the coalition's promises during the last election campaign. I have a particular interest in this issue, not just because I come from Canberra, but because I was actually a founding member of the

Friends of the National Museum back in 1988. My involvement with the Friends extended until 1994. I am concerned about the fact that the coalition has gone to great pains to lead not only the Canberra community, but also the Australian community, to believe that, under it, the National Museum will be a reality. We need to look at a whole range of areas. I have four points that I would like to raise specifically with respect to my concerns and the fact that I have serious doubts about whether or not the National Museum will ever be constructed.

I do not think the coalition's promises are worth the paper they are written on, because what we have at the moment is a \$15.5 million commitment over a three-year period for the National Museum of Australia. Presuming that this amount is forthcoming in the budget—which is something that obviously remains to be seen—there is a net difference of \$42.5 million between the commitments that were given by Labor and those that were given by the Liberals. I want to put on the record—and it pays credit to the work of former Senator Bob McMullan—that Labor's intentions with respect to the National Museum totalled \$58.3 million and included not only locating the Gallery of Aboriginal Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies at Acton, but also investing \$12 million in the development of Old Parliament House and another \$0.3 million for investigating the establishment of the Environment Museum at Yarramundi Reach. So I am a bit concerned when I hear so much coalition rhetoric.

I would like to quote a few comments, the first by Warwick Smith, made on 27 March—post-election—on local 2CN radio. He said:

Our predisposition is for the museum to be at Yarramundi where the sign still is. We want to see a national museum. We're one of the only significant national capitals of the nation that doesn't have a national museum, so we're committed to seeing a museum proceed and will finalise the question of the site straightaway . . .

He went on to talk about the ACT Chief Minister and her concerns and the fact that he would be raising those issues with her that day.

The other quote is from what our colleague Senator Alston had to say about the National Museum. This appeared in the journal of the Friends of the National Museum, volume 7, dated 1 April. The article reads:

Senator Alston said the National Museum would reflect Australia's society and history, the nation's interaction with the environment and Aboriginal and Torres Strait Islander culture and heritage.

'The Gallery of Aboriginal Australia will not only be a significant part of the National Museum but will be located at the same site, thereby symbolising an important step in the reconciliation process.'

That gives me the very strong warm feeling that we are going to see our significant National Museum of Australia on Yarramundi Reach. I happen to think that that is a very good outcome. It was very pleasing to see the coalition taking this direction on this particular matter. However, we see now, with those allusions to a National Museum that would be indicative of what has been described, and which are worthy of such a national institution, that the money that the coalition has foreshadowed comes nowhere near what is required.

Let us take a close look at the costs that have been foreshadowed, and I have a number of issues I want to cover here. Let us look first at the \$1.5 million for siting costs. A significant study into the siting of the museum was done in the early 1980s. In fact, that study canvassed no less than 12 sites. Why do we need \$1.5 million to determine the siting when the coalition has quite clearly stated that, under its policy, the museum will be built at Yarramundi?

The second issue I would like to cover is the \$15.5 million, or \$14 million if you take out the siting costs for the museum. If, and this is only alluded to in some vague terms, there is any private sector contribution towards the coalition construction of the National Museum, has the coalition taken into account the fact that no less than \$300,000 was spent in 1993-94 to investigate the whole idea of private sector funding? In fact, that private sector funding investigation did occur and it found, at a time when the ACT economy was actually looking quite rosy, that there was no private sector funding to be

found. That was with a commitment at the time, if private sector funding could be found, of no less than \$26 million from the federal government. We were talking about a project worth a minimum of \$52 million and, at that time, a \$52 million project at Yarramundi Reach represented a much compromised form for the National Museum. I hasten to add that in 1988 we were looking at a \$200 million project.

The third issue I would like to raise is the actual construction costs, \$14 million over a two-year period. Let us look at what that amount will get us. If we work on standard industry figures of between \$4,000 and \$5,000 per square metre for the construction of a museum, we are looking at about 3,000 square metres of museum space at Yarramundi. That is being conservative. Let us now do some comparisons. That figure is under half the size of a football field. If we take into account the spatial considerations in a national institution such as the National Museum of Australia, that leaves about 50 per cent of the space for exhibits. What we are looking at for \$14 million, over a two-year period, is a glorified barn. This is presuming that we have to wait until at least that second year for the \$14 million to be used in the construction of that nice big barn.

I think it shows, unequivocally, that the coalition's commitment to build a national institution of the type that has been talked up by Senator Alston and others has no basis whatsoever. I draw the attention of senators to criticism levelled at Labor with our proposition to build the Gallery of Aboriginal Art and the institute at Acton. The comment was made at the time by Senator Alston that Labor was not doing reconciliation any good by splitting up the Gallery of Aboriginal Art from that whole concept of the museum.

Let me ask this: where is the commitment and where does the senator stand now with respect to his commitment to the Aboriginal gallery? Labor had set aside \$20 million for the construction of the gallery? We have seen \$14 million allocated for the whole of the National Museum. Tell me where is the justice in that, and where does the senator stand now with respect to that commitment to

the Aboriginal and Torres Strait Islander people of Australia?

The last point that I would like to make is with respect to the contribution of the ACT government. Again, when Labor foreshadowed the construction of that part of the museum on Acton, it was stated by the ACT government that, although they had previously committed \$12 million to infrastructure costs if the museum was in fact built at Yarramundi, that money would be no longer available. So I ask now whether that \$12 million in costs will be found out of that \$14 million. I raise the question whether those infrastructure costs that will be required if the development is to proceed at Yarramundi will be found out of that \$14 million. If that is the case, then that raises the issue of what is going to be left over once you put in water and sewerage on that particular site.

Finally, as I said, I have grave concerns about the future of the museum, not only about whether it will actually start but, given that you have obviously used the museum as a platform—certainly here in the ACT, where we have seen every coalition candidate use the National Museum as a significant part of their election platform—now that you are in government, are you going to stand by your election commitments? By providing \$15.5 million for this museum you have implied through your rhetoric that we will have a grand institution that we can be proud of at Yarramundi Reach, one that encompasses the three elements of the National Museum that were in the original vision. That vision includes, of course, the Gallery of Aboriginal Art and acknowledgment of the environment and of Australia's history since settlement.

Again, my point is that I am seriously concerned about where the museum is going to be in the future and I think that we need to get some strong commitments and direction. But we also need some realistic funding commitments. It is not unrealistic to suggest that the figure of \$150 million or \$250 million is required to have a museum that all Australians can be proud of and which satisfies the words that we have heard from the coalition for a number of years. What is their response to all of the rhetoric that we have

heard for the last 13 years? The coalition is now in government. When are they going to stand on their commitments to have a national institution that we can be proud of?

Bureau of Meteorology

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for the Environment and Parliamentary Secretary to the Minister for Sport, Territories and Local Government) (1.49 p.m.)—In this matter of public interest debate today I want to respond to some matters that were raised by Senator West in a debate in this chamber on 9 May. Senator West's comments were in relation to the Bureau of Meteorology for which I have responsibility, but I cannot allow what Senator Lundy has just said to go unchallenged.

The people of Australia should know that it is absolute gross hypocrisy for anyone from the Labor Party to stand up in this place and say, 'What have you done about building an institution here, or building an institution there, or building a museum here or there', after they have been in power for 13 years. We have been in power for about two and a half months, and they are saying, 'Why haven't you built the museum, or why won't you do this, and let's see the commitment of funding.' I have to say, having sat through some of the budget processes and having seen the state that this budget was left in, that they left hundreds of millions of dollars worth of promises to the Australian people entirely unfunded. The Department of Environment, Sport, Territories and Local Government is a very good example. That is why we have what is called the Kim Beazley black hole.

To get back to the Bureau of Meteorology, which is a very important institution in Australia, in a debate in relation to cuts and their impact on regional Australia, Senator West chose on 9 May to make a statement which I will repeat. Senator West has just joined us in the chamber.

Senator West—It might have been nice to let us know that you were going to do this. No courtesy!

Senator CAMPBELL—I am not attacking you personally, Senator West. I am attacking your argument, okay? Senator Panizza and

Madam Acting Deputy President, this is what Senator West said:

We see that 200 people will be cut from the Bureau of Meteorology.

I ask Senator West this in all earnestness and seriousness. I would very much appreciate it if she would inform the Senate at some stage, or inform me privately, of where she or anyone else sees that we are going to cut 200 people. I would like to remind the Senate that a review done of the bureau by Professor Ralph Slatyer and a distinguished panel commissioned by the former minister, Senator Faulkner, was released publicly and to stakeholders in the bureau in March 1996. If she has not already read it, I suggest that Senator West reads it. I would refer her to it, because clearly anyone who stands up and says that the bureau is going to suffer a cut of 200 staff—

Senator West—Tell us what the cuts are going to be.

Senator CAMPBELL—I am going to make a few comments about it, Senator West. You got up without any information whatsoever, and I am going to put out some facts on the matter—through you, Madam Acting Deputy President. If Senator West turns to page 16 of the report, she will see that under Labor in the last five years there has been a slash of 231 in the bureau's staffing levels. Well done, Labor Party!

Senator Woods—How many?

Senator CAMPBELL—The figure is 231 people from the Bureau of Meteorology. Later in Senator West's contribution to this debate, where she is trying to say that we are going to hurt regional Australia, she went on to describe what happened around western New South Wales in relation to flood predictions in January and February. This matter was brought to my attention and to the attention of Professor Slatyer, but the reality is that the cuts that the Labor Party made to the bureau—without making any assessment of whether those cuts would impact upon the crucial services provided by the bureau to rural people, to the aviation industry, as Senator West referred to in her speech, and to maritime industries—had made a significant impact on the capability of the bureau to

collect crucial data which provides information not only to all of those industries but also to people living in the metropolitan area who care very much, when they get up in the morning, about what the weather man says.

We have found through this review process, which was quite properly instituted by Senator Faulkner when he was the minister, that in some of the crucial areas of data collection, particularly upper air temperature and wind velocity data collection, the reduction under Labor, with 231 people slashed from an organisation with only 1,400 people in it, was—

Senator West—You tell us what you are going to do. What are you going to do?

Senator CAMPBELL—Senator West did not want to know the facts before she gave this speech and scared people at the Bureau of Meteorology. There are 1,400 people there, but Senator West is quite happy to come in here, not having read the review—or, if she did read it, not having understood it—and say that someone is going to slash 200 jobs from the bureau. She has got no information on that and I challenge her to say where the idea came from, because it has got not one iota of factual basis. But she does not want to listen now; all she wants to do is spew verbal diarrhoea onto the floor of the Senate in a constant stream of interjections.

But I will go on. What has happened is that we have seen these crucial upper air measurements, which form the basis of many of the forecasts that are provided not only to Australians but also to international users, in some cases reduced from 95 per cent of required capacity down to below 25 and 30 per cent of capacity. In other words, there has been a significant reduction in this particular area of data collection which is absolutely crucial, not only to the daily weather forecasts for the aviation industry, maritime industries and—

Senator Panizza—And the agricultural industry.

Senator CAMPBELL—I had already referred to agriculture, Senator Panizza, but I know it is very important in western New South Wales and is absolutely vital in all

parts of Western Australia. It is only one section, Senator West. If the senator wants a full briefing on this report, I offer to her and all other senators a briefing from Professor Slatyer on what happened to the bureau under five years of Labor. Not only were upper air forecasts affected but also data collection was affected across the country with the closure of outback collection stations—probably all throughout New South Wales, Senator West. I will brief you. In fact I will issue an invitation to any senator who wants to know what happened to the Bureau of Meteorology when Senator West's party was in government. I will arrange it.

Senator West needs to be told that she cannot go around scaremongering about the staff of the bureau, some of the most dedicated and professional staff in the Australian Public Service. Many of them have served for periods greater than 30 years. Here we have some of the most dedicated, most professional staff, and yet Senator West is quite happy to stand up in this place and say that we are going to slash 200 jobs at the bureau. We will work through our plans for the bureau with the head of the bureau, Dr Zillman. We will work through the whole process and we will figure out how to ensure that the crucial data collection that is done by the bureau is brought up to world international standards. When the government ensures that the Bureau of Meteorology recovers from the devastation it has suffered at the hands of the Labor Party, I hope that Senator West will get up in this place and apologise to the people at the bureau for putting their lives in turmoil. She has upset them in relation to whether they have job security.

Basically, she came in here and made a speech about 200 people being slashed from the bureau. I suspect she thought that she could get up in here and say something and then hope that no-one would hear her. I guess in the Senate that is quite possible from time to time, particularly when Senator West makes contributions. But I heard what Senator West said. I have had a number of phone calls from staff at the bureau asking what is going on and, of course, they require reassurance. I have conducted my responsibilities to

the Bureau of Meteorology by talking to the people at the regional level and by talking to Dr Zillman. I have been very careful to let them know the coalition's plans and to let them know the process that we would undertake in the implementation of the recommendations of the Slatyer review. I have ensured that they have had some reassurance. But of course that does not stop somebody getting cheap headlines in regional newspapers of outback New South Wales.

We know what happened to the bureau under the previous Labor government. I commend the former minister, Senator Faulkner, who has just come into the chamber, for deciding that we needed to do something about it. Under previous ministers, the bureau has been ground into the ground. Two hundred and thirty one staff positions were cut under the Labor government. At least Senator Faulkner got Professor Slatyer to conduct this review, and the review is not very good reading for the Labor Party. But, of course, the great thing for the coalition government—thanks in large part to Senator Faulkner's initiative—is that it can look at the recommendations of this review and implement those that it can. We can ensure that the recommendations guarantee that the bureau is brought back up to standard, after five years of devastation and destruction under the previous government.

I am sure that when the future plans for the bureau are released over the coming weeks and months, and when the budgetary position is announced on budget night, Senator West will stand up in this place and apologise to the staff at the bureau. I know that Senator West is someone who has integrity. I suggest to the Senate that this was just an excursion by Senator West for political purposes. I think all of us, from time to time, in order to get a headline in a local paper, have probably said things that we regret. I know that Senator West would not have wanted to create unnecessary concern within the bureau. But when you say these things, people do take notice of them. The bureau staff have all received a copy of this review and they are very interested to know how we are going to

implement the recommendations of these reviews.

Senator West—Why don't you tell them what you are going to do rather than wait until the budget.

Senator CAMPBELL—They are being informed regularly, Senator West, and your intervention in this discussion, your intervention in this chamber, which is unnecessarily causing concern to these good, hardworking Australian public servants—many of them highly qualified in meteorology—has added nothing to that process. It has in fact detracted from it.

QUESTIONS WITHOUT NOTICE

Migrants: Social Welfare Entitlements

Senator FAULKNER—My question is directed to the Minister for Social Security. She does not appear to be present in the chamber.

Senator Hill—Try a different one.

Senator FAULKNER—Mr President, I seek leave to make a short statement in relation to ministerial arrangements at question time.

Leave granted.

Senator FAULKNER—Is the normal occurrence for the Leader of the Government in the Senate to inform either informally or formally the opposition and minor parties if there is an absence at question time of any minister? I can understand why Senator Newman on this occasion may well be ducking question time in the Senate, but I ask Senator Hill to dignify the Senate with—oh dear, oh dear, oh dear. I see the Minister entering the chamber, so there is no need for me to continue.

The PRESIDENT—Order! I take it that you are not proceeding, Senator Faulkner?

Senator Faulkner—On a point of order Mr President, could I ask that you ensure that the clerks set the clock to take account of the fact that question time has not commenced until 2.02 p.m.

The PRESIDENT—That will be done.

Senator FAULKNER—My question is directed to the Minister for Social Security,

Senator Newman. Minister, in responding to my question yesterday you told the Senate that the government had not yet finalised a decision about applying the two-year waiting period for migrants to child-care assistance and the child-care cash rebate. Given that you have now had the opportunity to reflect on your answer, do you stand by it?

Senator NEWMAN—As I indicated yesterday to the Senate, the matters of child-care assistance and child-care cash rebates are not in my portfolio responsibility. I have since been advised by the Minister for Health and Family Services that the government will be making an announcement on this matter in due course.

Migrants: Social Welfare Entitlements

Senator SCHACHT—My question is directed to Senator Vanstone, the Minister for Employment, Education, Training and Youth Affairs. Minister, have you been asked by the Prime Minister, Mr Howard, to provide advice on extending the two-year waiting period for migrants to programs within your portfolio?

Senator VANSTONE—What discussions or negotiations I have had with the Prime Minister in relation to any budget matters are between me, the Prime Minister and the Cabinet.

Senator SCHACHT—Mr President, I ask a supplementary question. In view of that non-answer—but predictable, I suppose—from the senator, can she tell us what programs are under consideration in the context raised in my first question? Do they include labour market programs and access to Austudy?

Senator VANSTONE—When the government is ready to make an announcement vis-a-vis any policy changes it might make—which, if you have not yet heard, Senator Schacht, although on numerous occasions you have been told, will be in the budget—we will let you know. It is very unlikely, Senator Schacht, if you continue with this line of questioning, that you will be successful. As you well know, budget negotiations are cabinet matters and are not going to be canvassed in this place.

Economy

Senator MICHAEL BAUME—My question is addressed to Senator Hill, Leader of the Government in the Senate. Has the Leader of the Government seen the comments by the respected Reserve Bank Deputy Governor, Ian Macfarlane, who said that a balanced budget is the fairest way of ensuring younger future generations are protected financially? Do these comments represent a repudiation of Labor's legacy of massive foreign debt, an \$8 billion deficit black hole and mass unemployment? Does the government intend to implement Mr Macfarlane's recommendations?

Senator HILL—I thank the honourable senator for his question, and I hope Senator Kernot listens to the answer, seeing she seems to have been taking the economic lead for the opposition parties so far in the Senate. No doubt she read Mr Macfarlane's comments which might have put some of her concerns to rest. What Mr Macfarlane said—and this is to the background of the \$8,000 million deficit that we inherited, the black hole of Labor—was this:

There are a number of ways in which fiscal policy decisions taken by members of this generation can impose a burden on future generations. The most obvious case is where recurrent spending runs ahead of taxation and the government runs large structural budget deficits.

That is Labor's record. He went on to say:

Governments are not doing it

that is reducing expenditure—

because they like inflicting pain.

Senator Kernot, that was your argument the other day—

They are doing it because in many countries the fiscal position has become untenable.

As in fact it had here in Australia. He said:

In democracies there are many pressures for spending now and paying later.

Doesn't that sound so familiar, Mr President? That is Labor. Their pressure was from the ACTU and from within the accord—spend now, pay later; pass the debt on to future generations.

Senator Bolkus—You are even boring your own side. No-one is listening to you.

Senator HILL—I am inviting Senator Bolkus to listen to this because this is a reflection of your 13 years of failure. Mr Macfarlane said:

Despite that pressure, however, there is not much of a constituency representing future generations.

That is what we are seeking to represent and that was the message that I tried to give to Senator Kernot the other day in this chamber. Sooner or later there had to be a government that was prepared to take the hard decisions and look at the expenditure side, rather than simply take the easy decision of continually putting up expenditure, paying for it through debt—which was Labor's way—or alternatively take the Democrats' recipe of forever increasing taxation. In conclusion, Mr Macfarlane said:

Those who are interested in handing on to future generations an economy in good shape should welcome any moves to increase national savings by such measures as improved retirement incomes policy and sounder fiscal policies. Unfortunately people who believe in these things are often painted as lacking in compassion and being subject to a higher motivation than belief in managerial efficiency. I would submit that in general they do have a higher motivation and that is to perform the role of trustees for the next generation.

We could not have said it better ourselves. Here is a highly respected economist—

Senator Sherry—What have you done on superannuation?

Senator HILL—I have heard from you before that you regard him highly—telling you how you failed and how we are on a better track to give a better future to Australia—a chance for jobs in the future, a chance for higher prosperity. That is what we are about and I am pleased to see endorsement such as this.

Senator MICHAEL BAUME—Mr President, I ask a supplementary question. I thank the leader for that very brief review of what Mr Macfarlane had to say. But did the leader also note that when Mr Macfarlane was saying that each generation has an incentive to bestow benefits on itself while neglecting the interests of future generations he said:

The spenders are often seen in the public debate as compassionate and generous people and those who favour restraint as scrooge-like accountants. One could however equally view it as a contest between those who are willing to take advantage of the next generation and those who wish to protect it.

Which of these two was the Labor government and which is the Howard government?

Senator HILL—I thank the senator for another minute.

Senator Robert Ray—Another full toss! You reckon you can handle it?

Senator HILL—Yes, I can, because it does give me the opportunity to reiterate a few points.

Senator Robert Ray—Help yourself to the smorgasbord.

Senator HILL—I know, Senator Ray, you have taken yourself voluntarily off to the back bench and that is better than facing up to your record—13 years of failure. When you went out of government what did you leave—\$180 billion of debt, foreign account deficit of 27 per cent, 8½ per cent unemployment, 27 per cent of unemployed young Australians.

Senator Cook—Just tell the truth once.

Senator Hill—In regional areas, Senator Cook, 40 per cent of young Australians are out of work.

Senator Cook—Stop lying.

Senator Hill—I am not lying at all.

Senator Cook—You are lying.

Senator Hill—Mr President, I understand why Labor doesn't want to face up to—

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

Senator Cook—If I said anything unparliamentary, I withdraw.

The PRESIDENT—I am asking you to withdraw—an unconditional withdrawal.

Senator Cook—That is unconditionally, Mr President.

Senator Alston—He still hasn't withdrawn.

The PRESIDENT—He has withdrawn.

Senator Hill—I suppose what is most ironic is that despite the high spending policies—look after now, rather than the future—in fact, under Labor living standards in this

country fell from the 10th position to the 22nd position in the world. (*Time expired*)

Migrants: Social Welfare Entitlements

Senator FAULKNER—My question is directed to the Minister for Social Security. Minister, I asked you a question yesterday, as you know, as to whether the government had finalised a decision about applying the two-year waiting period for migrants to certain payments. Minister, was your answer truthful or did you mislead the Senate?

Senator NEWMAN—The Leader of the Opposition has been going around trying to claim that I misled the Senate. In fact, I found that he was not only misusing stolen documents but also misleading the Australian parliament in his interview on *P.M.* last night on the basis of what was in them.

Senator Faulkner—Was your answer truthful?

Senator NEWMAN—Yes, my answer was truthful.

Senator Faulkner—Did you mislead the Senate?

Senator NEWMAN—My answer was accurate and I am not prepared to discuss internal government processes.

Sale of Telstra

Senator ABETZ—My question is directed to the Minister for Communications and the Arts of whom the Democrats are too scared to ask a question these days. Has the minister seen the article in today's *Australian* written by the Leader of the Democrats regarding the privatisation of Telstra? Does this in any way justify the Democrats joining with Labor in frustrating our electorally sanctioned legislative program?

Senator ALSTON—Yes, I have read that article and I read it very carefully. I would not be too proud of it if I were you, Senator Kernot. It has clearly been written by some doctrinaire advocate of opposition to privatisation rather than someone who is interested in the facts. So if we can just deal with some of the facts—

Senator Bolkus—What have you got against Cheryl?

Senator ALSTON—Nothing at all. In fact, I can remember a couple of years ago Senator Kernot used to be very relaxed and serene in this chamber. Now she does a passable imitation of a banshee whenever we get up and talk on these issues.

In this article you claim that residential phone rentals in New Zealand have increased by 30 per cent since privatisation. The fact is they increased in the lead-up to privatisation. They have not increased since. So claim No. 1 is incorrect. In fact the only increases in residential rentals occurred prior to privatisation. What you failed to point out is that residential rates are now lower than they are in Australia, despite the fact that they have free local calls.

Senator Kernot interjecting—

Senator ALSTON—Exactly. In other words, they can accommodate vast efficiencies in the system. The overall cost of telecommunications to the average residential consumer has fallen by 60 per cent since the start of the reform process in New Zealand. The average residential telephone bill in the UK is now more than 50 per cent cheaper than it was when BT was privatised all those years ago. Those drops have occurred, contrary to your suggestions, from the highest users of phones to the lowest users of phones who have experienced a 40 per cent price reduction. To suggest that somehow Austel is the one that has been in there forcing prices down is absolutely—

Senator Kernot interjecting—

The PRESIDENT—Senator Kernot, Senator Alston has the call. It does not matter whether you like his answer or not.

Senator ALSTON—Thank you, Mr President. It is very interesting that Senator Kernot should say that you need to take account of a mix of factors. What she says is that better consumer outcomes do not automatically flow from a change in ownership; they flow from a combination of competition, regulation, effective management and consumer pressure, as demonstrated by overseas experience. You would not be able to find one sensible analyst or economist who would not say that it is a mix of factors, particularly privatisation, that

has delivered those sorts of outcomes. For you to completely ignore the possibility of privatisation at least contributing to that is utterly selective and misleading.

You go on to suggest that the Industry Commission says that Telstra's prices have reduced by 16 per cent. The fact is that the rest of the world has seen prices fall by about 30 per cent over that same period, so we are clearly falling further and further behind. This is the Bob Collins trick. He will say to you, 'A few years ago the waterfront was fundamentally uncompetitive and since then we have improved by 20 per cent', when the rest of the world has improved by 100 per cent. So there is absolutely no purpose at all in saying that.

Senator Kernot ought to know that in this country, as is the case everywhere else in the world, there have been two fundamental revolutions. Fibre optical transmission has transformed telecommunications. We can now get 30,000 simultaneous voice calls on one thread of fibre optic. Add to that the digital revolution, and what follows is that we have enormous scope for productivity. So we then have to ask ourselves: can we really sustain those levels of employment? You seem to want to quarantine Telstra. You want to say, 'This is the only company in the country that should not be subject to—(*Time expired*)

Migrants: Social Welfare Entitlements

Senator FAULKNER—My question is directed to the Minister for Employment, Education, Training and Youth Affairs. Minister, in a letter from the Prime Minister dated 13 May 1996 on the issue of the government's introduction of a two-year waiting period for migrants, were you advised that, 'The list of additional social security payments to which this waiting period shall apply has now been finalised'?

Senator VANSTONE—I give Senator Faulkner the same answer as the one I gave to Senator Schacht. Conversations and correspondence between me and any other minister and the Prime Minister are between us and are not to be canvassed in this place. If you, in some way, come across a copy of that correspondence, I wonder whether you would

care to do what I did when I was given something like 47 disks of information from the Attorney-General's Department, and that is, give it back.

Senator FAULKNER—I ask the minister whether she agrees with the Prime Minister, who said that these matters had been finalised, or whether she agrees with Senator Newman, who said that these matters had not been finalised?

Senator VANSTONE—I repeat the answer I have just given you: correspondence between me and the Prime Minister and between the Prime Minister and any other minister will remain that way.

Minister for Communications and the Arts

Senator KERNOT—My question is directed to the Minister for Communications and the Arts. I notice that the minister did not deal with any of the economic arguments about national savings and debt reduction. However, my question is on another matter, which is equally important. Given the federal coalition's historic interest in the public interest aspects of private meetings between past ministers and powerful private figures such as Conrad Black and Warren Anderson, I ask you, Minister, about your weekend with Mr Lachlan Murdoch, a group of News Limited executives and Foxtel executives at the Murdoch's grazing property. Did you discuss the upcoming inquiry into media cross-ownership rules? Did you discuss the multi-billion dollar roll-out—

The PRESIDENT—Order! There are too many interjections from senators on both sides of the chamber, particularly those on my right.

Senator KERNOT—Did you discuss the multi-billion dollar roll-out of Telstra's fibre-optic cable for Mr Murdoch's Foxtel, and did you discuss the proposed part-privatisation of Telstra and any impact this might have on Foxtel?

The PRESIDENT—Order! Minister, before you give your answer, I ask you to address your comments through the chair so that this

does not become a slanging match between you and Senator Kernot.

Senator ALSTON—Mr President, I will do my best to heed those instructions. Senator Kernot, this was a question I thought I would have got from you yesterday.

Senator Kernot—We share them.

Senator ALSTON—I understand your priorities.

Senator Kernot—One question a day.

Senator ALSTON—I realise that too. I did bring the newspaper clipping with me yesterday, but I do not seem to have it here today. The relevance of it is this: you were quoted as saying that you would be fascinated to know what went on—I am paraphrasing—

Senator Kernot—As you usually do.

Senator ALSTON—It is the best I can do, not having the document in front of me. You said that there was nothing wrong with meeting with media proprietors and senior media executives, and that it looked like a very social occasion. Consistent with that proposition, I understood you to be saying that you really did not have any objection in principle—as I would hope you don't—to having discussions with a wide range of people in the industry. As you would understand, there are very many people with very many interests in this area. There are a number of media proprietors—

Senator Schacht—How was the chardonnay?

Senator ALSTON—I know it is a matter of great chagrin to Senator Schacht, who rarely gets these invitations any more. As I reminded him yesterday, I suspect the reason that he was not invited is that the location was not far enough away from Canberra to qualify for decent TA. He is the reigning Australian champion for TA—I am sorry, the bronze medallist; he is sitting next the gold medallist. Is it the case that you blokes simply don't have homes to go to, or do you just hate the voters of South Australia?

Senator Kernot, in that article, you went on to talk about Warren Anderson. It seemed to me to be an utterly irrelevant proposition. What Mr Keating was doing was flying up

there in Mr Anderson's private jet to talk to him about matters involving a deal in which Mr Anderson had a very acute interest—a \$12 million spotter's fee, as I recall. The fact is that you were dead right: it was a social occasion. I have visited a number of senior media proprietors, just as they have come to visit me in this building and elsewhere. There is absolutely nothing improper about this, as you your question and remarks quite readily concede.

On a social occasion, as I am sure you would understand, you do not sit down with briefing papers, you do not canvass the merits of propositions in detail; essentially, you are getting to know people so you can have a civilised discussion with them. That is precisely what I suggest you should do. If you want to understand the intricacies of some of these issues rather than falling back on a few selected pieces of paper based on someone else's warped view of the world, you would be much better off to go and talk to the people who understand the issues.

I am sure there would be no hesitation—I am sure Senator Bourne has already found this—there would be no reluctance on the part of News Ltd executives or any of the others to give you a full and proper briefing. I am not sure whether they would make the same social invitation to you; then again, I suppose that is the privilege of being in government.

Senator Bob Collins—You are offering a free weekend with Rupert Murdoch, are you?

Senator ALSTON—The one thing I wouldn't do, Bob, is share a place with you. I simply say, Senator Kernot, that what was discussed was essentially in a social context. I do not think we discussed the proposed cross-media inquiry at all. In any event, there was no such thing as what you and I might regard as a hard-nosed exchange of views on particular issues. It was, as you quite rightly said, a social occasion, and your fascination will have to remain just that. (*Time expired*)

Senator KERNOT—Are you saying, Minister, that over an entire weekend, this very social weekend, you could not find time to talk about some of those really relevant details? You said that Paul Keating was involved in a deal. Isn't it true that decisions

about media ownership are in your gift and that what you say, to whom, on social or other occasions is of importance to the rest of the public and this parliament? Will you give an undertaking that parliament will have an input into the terms of reference of your two upcoming media inquiries? We do not want to spend a weekend with you to have input.

Senator ALSTON—Well, let's be—

Senator Ferguson—An offer you can't refuse!

Senator ALSTON—The place isn't big enough, I'm sorry. You'll have to form a queue if you want to come away with me for the weekend. Just put your applications in writing.

Senator Bob Collins—I'll bet it's the first one you have ever had, Richard.

Senator ALSTON—Bob, it would have to be very dark, I can assure you. I do not know who else was back in my place in Melbourne by about lunchtime Saturday if it was not me. I certainly did not spend the weekend there. Senator Kernot, you are absolutely incorrect in saying that crucial decisions of the media are within my gift.

Senator Kernot—Oh, they are.

Senator ALSTON—They are not. You are about six months out of date. They were within the gift of Paul Keating because he just got all his mates over here to rubber stamp them. The large chap at the back was so revolted by it all that he used to tell the media that he just would not wear those sorts of decisions. I can understand him wanting to sit in the outer instead of coming on to the arena. That is fair enough. But I can assure you that we—(*Time expired*)

Higher Education

Senator REYNOLDS—I address my question to the Minister for Employment, Education, Training and Youth Affairs, Senator Vanstone. Can the minister provide the Senate with an assurance that no regional university or decentralised campus of any regional university, including those in my home state of Queensland—Cairns, Townsville, Rockhampton, Mackay, Toowoomba, the Gold Coast—and a number of other

regional campuses around Australia will close as a result of the proposed cuts to funding for tertiary education?

Senator VANSTONE—Mr President, I may have misheard the senator's question—I thought she asked me for an assurance that they will close and I am certainly not prepared to give her that—but the *Hansard* and the tape may show that there is a misunderstanding in that respect.

Senator, I understand the gist of the question that you are asking. In response to it let me tell you that there are two things that you can be sure of with respect to higher education under this government. The first is that any savings that may need to be made will be made in consultation with those who are most likely to be able to give the best advice possible to the government on the best way to make any savings that are required.

All of the people who are now offering us advice on the best way to do that certainly understand why that very unattractive task faces this government. It is because your party is the guilty party. Your party is the party which spent, spent, spent and kept this nation in deficit. It was not prepared to face up to the reality of the problem and address it. That is the first point on which I can assure you absolutely.

The second point I want to assure you of is that under a coalition government, universities will have more autonomy and flexibility, and quality outcomes will be improved. I could add that universities want more flexibility. You can be absolutely sure of that. They want more diversity and, as I am sure senators know, they are keen to see that there are better quality outcomes from universities.

Senator West—What about their funding?

Senator VANSTONE—Senator West interjects to ask in effect why there needs to be a cut. It is because her party is the guilty party. Her party overspent then kept on spending, putting it on the credit card, hoping the problem would go away. That is one reason. I also say to Senator Reynolds that the notion that you have a better product simply because you spend more on it is not one that I share.

Senator REYNOLDS—Minister, in view of your failure to give an assurance to the Senate, can we assume that one of the unattractive options could be the closure of at least some of these regional campuses? In fact, what will be the future of the Southern Cross University of Port Macquarie, which has just been opened? The Southern Cross University's deputy vice-chancellor has predicted that, if cuts went ahead, no area of the university's operations would be immune from examination.

Senator VANSTONE—Senator, we are not going to engage in the task of members in the opposition putting up propositions and when someone declines to rule them out saying, 'Well, can we assume the opposite is the case?' I am not going to engage in that process. What I am engaging in and what I will continue to engage in, despite the riffraff and comments from the other side, is the process of getting advice from the people who are amongst the most informed in the community as to the best way to make savings in the higher education sector. Their advice will be listened to carefully. In implementing that advice, you can be sure that we will be looking to give universities more flexibility. They were strangled by your system. We want more diversity of choice for students and better quality outcomes—that you can absolutely rely on.

Labour Market Programs

Senator REID—My question is to the Minister for Employment, Education, Training and Youth Affairs. Has the minister seen a letter sent to skillshare organisations by the shadow minister for employment and training, in which he says that the \$8 billion budget deficit is not based on any excessive expenditure by Labor? Is Mr Ferguson correct when he goes on in his letter to say 'the reality is that Working Nation had in the bank an extra \$140 million' for labour market programs?

Senator VANSTONE—I thank Senator Reid for that question and, yes, I have seen a letter sent by the shadow minister, Mr Ferguson, to a number of skillshare organisations—possibly all of them. Members opposite will know that Mr Ferguson is the male member for Batman—another safe seat in which Labor

had the opportunity to place a female candidate and did not, so I am sure the female senators would be very interested in his performance.

In this letter, Mr Ferguson makes some very interesting suggestions. He makes the remark that the budget blow-out is not based on any actual excessive expenditure by the past Labor government. It really does beg the question: if the deficit is not a result of excessive spending by Labor, how did it arrive? Possibly Mr Ferguson thinks some sort of stork came overnight and delivered this deficit without any intervention by Labor. But Australians understand this: the burden was cast on the shoulders of all Australians by the now opposition—the people who are the guilty party in this process, the people who did overspend.

Certainly the size of the deficit has increased because of changes in assumptions about economic growth, but you people over there, the Labor Party, cannot pretend that the deficit is the result of being in the midst of some sort of recession. The Labor Party had something like 18 quarters of growth before the election, and they still could not get the budget into shape. If the budget is in bad shape, it is as a direct result of Labor's mismanagement.

In his letter, Mr Costello's concerns vis-à-vis the budget are referred to as the 'Costello con'. The suggestion is that what we should do is pretend that the deficit is not there—walk away from the national responsibility, as you did. We will not do that. That is a Ferguson furphy. We will not walk away from the responsibility in this respect.

In the last four years, government debt tripled. On top of this, we have \$185 billion of net foreign debt and the worst current account deficit, as I understand it, in the OECD. But for all of Labor's addiction to debt and the deficit, we still have unemployment, sadly, of 8.6 per cent on trend figures. That should tell Mr Ferguson something.

He goes on in the letter to talk about labour market programs. Just to remind senators opposite who may have forgotten, these are the programs where, under Minister Crean, just about all the money was spent prior to

the election. Now his fellow shadow minister, Mr Ferguson, is crying crocodile tears about how terrible it is that that money was spent. He needs to remember that the only reason the money ran down as it did was because his colleague, Minister Crean, at the time was spending it as fast as he could to sort the unemployment figures before the election. That is what Mr Ferguson needs to understand.

As to the comment that there is \$140 million in the bank, that is a typical Labor attitude: borrow on next year; keep borrowing on next year; hope that it gets better. Senator Reid, that is not called money in the bank; it is called money in a credit card. They want to us to forget about the budget, forget about ever having to pay the money back, forget about the effect on interest rates and forget about creating jobs for all Australians.

Senator Bolkus—I ask Senator Vanstone to table the document from which she was reading.

The PRESIDENT—Do you wish to table the document, Senator Vanstone?

Senator Vanstone—No.

Senator Bolkus—I seek leave to table Mr Ferguson's letter in full to show where Senator Vanstone has, in fact, been misleading the Senate.

Leave not granted.

Honourable senators interjecting—

The PRESIDENT—Order! Take a seat, Senator Collins. We will wait for some quiet.

Importation of Cooked Chicken Meat

Senator BOB COLLINS—My question is to the Minister representing the Minister for Primary Industries and Energy. Minister, you advised the Senate earlier this week that the government would allow the importation of cooked chicken meat into Australia from the United States, Denmark and Thailand—and that announcement, you will not be surprised to hear, was widely published by the media—and that AQIS would publish, I think you said, within a few days, the protocols for this to occur. Can you explain to the Senate why this decision has been taken in complete breach of explicit written undertakings given

to the chicken and salmon industries by Mr Anderson, before the election, that a coalition government would not do this until the Nairn review, established by us in government, had been completed and 'its recommendations acted upon in full'—something that will not happen for at least another 12 months.

Senator PARER—I really have nothing more to add to the answer I gave Senator Burns earlier this week. I would just like to repeat that I said Minister Anderson had encouraged the industry to consider the adjustment requirements and he would examine closely any submission put to him on that aspect. As senators will be aware, this is the subject of an urgency motion later this afternoon in the parliament. All I would say to Senator Collins is that I have nothing to add to the answer I gave Senator Burns earlier this week.

Senator BOB COLLINS—Mr President, I ask a supplementary question. I quote from the final paragraph of the letter that Mr Anderson sent to representatives of the chicken industry:

A Coalition Government will suspend the approval of all proposed new import protocols,—

including chicken meat—

including the one for salmonoid products, until such time as the scientific review—

that is, the Nairn review—

has been completed and its recommendations acted upon in full.

Yours sincerely,

John Anderson

Will the minister now advise the Senate whether this explicit and unequivocal undertaking is going to be breached by the government?

Senator PARER—As I said to Senator Collins, I have nothing to add. I gave the answer. The question was asked earlier this week and I gave a detailed response. If you want me to give the same answer again I will do it but it is just wasting the Senate's time.

Deaths at Port Arthur

Senator HARRADINE—My question is directed to the Minister representing the Prime Minister in the Senate. The people of Tas-

mania very much appreciate that the federal government accepts that the Port Arthur tragedy is a national tragedy requiring a national, moral, financial and legislative response. Is it a fact that the government supported the decision which was taken at the request of the locals to demolish the Broad Arrow Cafe out of respect for those who were massacred therein and for those who are still traumatised by the event? Is it not a fact that the Broad Arrow Cafe and retail outlet contributed over 50 per cent of the income of the Port Arthur historic site management, and was a considerable employer and well patronised by tourists? Will the minister make an early announcement that the government will fund the erection of a similar facility—and I can assure you, Minister, that it would be a big boost to the locals if you were able to do this very soon? (*Time expired*)

Senator HILL—I will pursue that matter and get an early response as requested by the honourable senator.

Jabiluka

Senator WHEELWRIGHT—My question is directed to Senator Hill, the Minister for the Environment. Minister, have you received a communication from the Northern Land Council informing you that the Aboriginal groups affected by the Jabiluka project do not want the project to proceed? Can you confirm that the Northern Land Council has the statutory responsibility for representing the views of the traditional owners? Is it not therefore clear that the ERA proposal to mine Jabiluka cannot be approved?

Senator HILL—I do remember receiving such a piece of correspondence in the not too distant past. As I recall, it was in the terms that you have just outlined.

Senator Murphy—Did you respond?

Senator HILL—I responded to it and I am meeting representatives of the council here next Monday. In the meantime, I have met with representatives of the council in Darwin. The advice I was given at that time was that there was divided opinion amongst the indigenous owners as to the potential future developments. On the legal question that you

ask, in conclusion I think it is inappropriate for me to give you legal advice.

Senator WHEELWRIGHT—Minister, I do not think there is much room for equivocation on this matter. Have you not stated, as reported in the *Age* on 4 April, that the views of the traditional owners of Jabiluka are 'vitally important' and that 'their consent is absolute in its requirement'? In view of their clearly expressed views, is it not true then that the ERA proposal cannot proceed?

Senator HILL—I just said that it is a question of law. One of the issues is whether it is in fact a new application, and that is a question that may end up being determined in the courts. You know that it is inappropriate for me to give you legal advice.

Senator Bolkus—It's a new contract, new mine, new arrangement. Why is it a new application?

Senator HILL—I can go into that as well, if you like, but I doubt whether you would understand.

Coal Industry

Senator BOSWELL—I address my question to Senator Parer. Has the Australian coal industry benefited from decisions taken at the recent diplomatic conference on the new International Marine Organisation's liability and compensation convention? How has that benefited the industry?

Senator PARER—I would like to thank Senator Boswell for asking that question. That conference outcome, assisted by a supportive, strong, pro-industry and pro-job Australian government—a pleasant change, I might say to the senators opposite—has headed off a significant threat to Australia's export commodities, particularly coal our largest export earner.

The recently finalised convention on liability and compensation for damage in connection with the carriage of hazardous and noxious substances by sea will cover damages arising to people and the environment from spillage of cargoes. It is an add-on to the coverage provided by normal ship operator insurance. When discussions on implementing the new convention began, quite a number of

countries wanted coal treated as being environmentally damaging and, in the event of accident at sea, as oil and chemicals. This would have meant that the Australian coal companies or their customers would have had to pay significant extra premiums to insure their cargoes.

The government strongly believes that such an impost would have been unfair as coal, as I mentioned earlier, Australia's biggest export earning commodity, simply does not present the same risk to the environment as many other seaborne cargoes. The government strongly supports the convention covering damage that might arise from the carriage of truly high risk cargoes but objects to the costs being imposed on safe cargoes such as coal.

The government was intent on avoiding a cross-subsidy situation to genuinely hazardous materials which would have harmed the competitiveness of an industry which earns this country around \$8 billion a year. The Australian case at the conference was put by government officials with the support of, and in conjunction with, industry.

Both government and the industry officials did an excellent job and I pay tribute to them. They were able to convince an overwhelming majority of countries at the conference of the sense of Australia's position. This outcome is another example of this government's determination to prevent any growth in the plethora of unnecessary regulation which adds costs to the mining industry and handicaps it in the global competition for markets in which it has to survive.

Education

Senator JONES—My question is directed to the Minister for Employment, Education, Training and Youth Affairs. There is no doubt that the minister is aware of the many statements of concern being made in relation to education, but I refer in particular to a statement by Professor Michael Osborne, Vice-Chancellor of La Trobe University. Does the minister agree with the comment by Professor Osborne, who said:

You cannot cut costs and maintain the number of students without having a Mickey Mouse education. It's education quality or student numbers.

Senator VANSTONE—I do not recall seeing Professor Osborne's comments. What you have repeated to me is just one of a number of comments I have seen in that regard. I will repeat to you, Senator, what I have said to a number of other senators in this place and what I have said to everyone who has inquired about higher education. That is this: the vice-chancellors are among those in the best position to offer advice to the government as to the best way to make savings that may well be required because of the black hole left by your government's ineptitude.

Senator, what you do need to understand is this: there are some universities who would undoubtedly like there to be a cut in numbers. That is my view. There are others who would not like to see that.

There are other universities who see different ways that a savings proposal could be put together. Regional universities, for example, have different interests to the bigger metropolitan universities. New and not yet fully established universities—universities that are still building and growing—obviously have different interests to the longstanding and established universities. So there is a wide range of interests to be taken into account here and they will all be taken into account. Some may argue for a cut in student numbers—that is not an attractive option. Others will put different options. I conclude by telling you, Senator, that if vice-chancellors choose to give me their confidential views, I will maintain their confidence.

Senator JONES—Mr President, I ask a supplementary question. Senator, you said that the government was going to accept advice and that the vice-chancellors were in a good position to give that advice. Looking at the comment of Professor Michael Osborne, where he said that you cannot cut costs and maintain the number of students without having a Mickey Mouse education, am I to believe, after the statement you made today, that you are not now going to accept any advice from the vice-chancellors?

Senator VANSTONE—Senator, let me say it as slowly as I possibly can. The vice-chancellors already are putting forward some

views as to how higher education can make a contribution in this respect. What I have said to you is that the government was always, and remains, willing and actually desperately wants to listen to what each vice-chancellor might have to say—and to what they may wish to say as a group, because that will be different. Within the range of vice-chancellors, there are different views. And each of these views will be listened to.

It necessarily follows that when you offer to listen to advice—and you are going to get a range of advice—you cannot take each piece of it because you will end up doing nothing. That is probably the problem that your government faced in not looking after higher education as you should have. I just repeat: vice-chancellors are very welcome to come and put their views—and some of them are already. We will listen to their views carefully and take them all into account. *(Time expired)*

Youth Unemployment

Senator WOODLEY—My question is addressed to the Minister for Social Security. I refer the minister to a letter to the editor of the *Australian* from Father David Cappo, which appeared on 11 April, in which he wrote:

Please don't let this drive to save taxpayers' money become the taking out of anger and frustration on our young unemployed because we still can't find the solution to their plight.

Does the minister agree with Father Cappo that youth unemployment and the associated anger, hostility, depression and loss of motivation that some unemployed young people may feel are not the fault of the young people themselves, but are in fact the responsibility of the entire community? Can the minister guarantee that young people will not be unfairly disadvantaged by any new enforcement measures to be introduced by the Department of Social Security?

Senator NEWMAN—I appreciate the question from Senator Woodley because it is a matter about which all decent thinking Australians should be concerned. The youth are not responsible for their fate; the guilty party can take it fair and square between the eyes. We know exactly who caused the

recession. We know exactly who has been unable to encourage business. If they had been able to encourage growth in this community, if they had been able to convince small business, for example, that there was a prospect for them if they invested their money, that they could afford the cost of money, that they could, by investment, give young people jobs, there would have been fewer young people on unemployment lists when the new government came into power.

I have to recognise also that a lot of the desperation that is felt by those young people and their parents was behind the vote that turfed out that guilty party at the last election. Having said that, I give you a commitment that we will not be unfair to those young, disadvantaged people, Senator Woodley. We are very mindful of the fact that they are some of the most vulnerable in our community.

Senator WOODLEY—Mr President, I ask a supplementary question. I am encouraged by that answer, Minister, but I wonder if you could inform the Senate what amount, in addition to measures taken by the previous government, you would expect to save from your 'dob in a dole bludger' campaign?

Senator NEWMAN—Mr President, I am very glad of the opportunity to answer that question because, while the journalists seem to take rather a delight in talking about 'dob in dole bludgers', I don't.

Senator Bob Collins—You said it!

Senator NEWMAN—No, I don't talk like that.

Senator Bob Collins—You do.

Senator NEWMAN—No, I have not talked like that. I would not talk like that. What I am concerned about is that you lot missed golden opportunities to make sure that compliance in this area was properly achieved. What did you do? You introduced a system whereby CES had one form for employers, DSS had another form for employers, and employers did not see any indication that you would take serious action when people were rorting the system. By picking up a telephone and reporting when somebody did not turn up for a job opportunity, or did not try for a job—*(Time expired)*

National Professional Development Program

Senator DENMAN—My question is addressed to Senator Vanstone, the Minister for Employment, Education, Training and Youth Affairs. In the coming year what are the government's priorities for the national professional development program?

Senator VANSTONE—When I choose to make an announcement with respect to any priorities of my policy, I will come in here and make a ministerial statement.

Senator DENMAN—Mr President, I ask a supplementary question. Minister, your government undertook to keep this program for three years. Teachers and parents would be interested to know what their contribution will be to the program.

Senator Hill—How many teachers do you think?

Senator DENMAN—Quite a few, actually.

Senator VANSTONE—In fact the supplementary did not ask a question, but nonetheless I repeat the answer I gave you: when the government chooses to make an announcement on a matter it will do so by way of ministerial statement.

Defence Bases in Victoria

Senator TROETH—My question is addressed to Senator Newman, the Minister representing the Minister for Defence. I ask: would the minister please outline the proposed future use for the Laverton and Point Cook bases in Victoria with regard to the effective use by all services, and could the minister also indicate what is the proposed location for the National Air and Space Museum?

Senator NEWMAN—I thank Senator Troeth for the question. As a Victorian senator, I know this is a matter of importance for you and a number of people in Victoria. The Defence Force structure review which was held by the previous government in May 1991 included a finding that the airfields at Laverton and Point Cook were no longer required for Defence purposes. As a result, a consultative committee chaired by Mr Barry Jones

MP—heard of him?—was tasked with assessing the future use of the two bases.

Senator Faulkner—Yes, as a matter of fact we have.

Senator NEWMAN—Yes, it's a pity that there are not more like him. The committee recommended that the airfield at Laverton should be closed and marketed for redevelopment, while the Point Cook airfield should remain open and be marketed for aviation-related activities consistent with its heritage values. Most of the non-airfield activities at these bases continue to be for Defence purposes. The Laverton base, for example—

Senator Bob Collins—This is a conversation stopper.

Senator NEWMAN—I know you are not interested, Senator, but some people are. The Laverton base, for example, is the location of RAAF Support Command and is the administrative support centre for Melbourne-based RAAF units. A marketing consortium headed by the Australian Property Group has been developing strategies for the disposal of the airfield areas which will provide a suitable return to the Defence budget. We expect to market Laverton for a wide range of uses in the second half of this year, including either residential or industrial use.

On 27 March last year the former Minister for Defence, Senator Robert Ray, announced in parliament his in-principle agreement to the establishment of the National Air and Space Museum, a Victorian government initiative, in facilities on the northern tarmac area of Point Cook. Negotiations are to commence in the near future with the National Air and Space Museum for operation of the airfield area at Point Cook as head lessee. The Victorian government is also interested in establishing a flying training academy at Point Cook in conjunction with the NASM project.

Superannuation

Senator WEST—My question is directed to the Assistant Treasurer. Your superannuation policy, 'Super for all, security and flexibility in retirement' states:

Awards will provide a choice of up to five funds which may receive employee contributions includ-

ing employer, industry, personal superannuation and RSAs.

Minister, will you please explain how you reconcile this policy with your government's policy to remove superannuation from industrial awards?

Senator SHORT—The government's policy in relation to the superannuation funds that employees or anyone can contribute to remains one of choice. The point that you have raised is totally irrelevant to that. The fact is that the coalition's policy remains so far as the range of choice available to employee contributors to industry superannuation funds is concerned. I do not understand how you do not understand that very simple point.

Customs Service

Senator MURPHY—My question is directed to the Minister representing the Minister for Industry, Science and Tourism. Minister, will you guarantee that cuts made to the Australian Customs Service funding and staffing levels will not in any way jeopardise the efficiency of the service and, in particular, not put our borders at risk from the smuggling in of illegal semi-automatic weapons and narcotics?

Senator PARER—You would think that the senator opposite is about two days behind because this question was asked in the House of Representatives about two or three days ago. Let me give him the answers. There are two questions: one with regard to firearms and the other with regard to staff cuts. Customs anticipates making a reduction of 440 staff against 1997-98 staffing levels. This will be achieved through the offer of approximately 300 voluntary redundancies, the termination of some temporary staff and the absorption of workload growth through some change in work practices.

Senator Bolkus—How many is that?

Senator PARER—That is a good interjection, because Senator Schacht sitting opposite knows as well as I do about the whole business and the Conroy report. He also knows that he would have liked to have done this too. But your unions stopped him.

It is not possible at this stage to say where the reductions will take place. The chief

executive of Customs will ensure that the reductions are achieved, as far as possible, through improved efficiencies and through reductions in lower priority tasks. Senator Schacht would like to have done this.

Senator Cook—But this is your government.

Senator PARER—We are doing it. As far as is possible, services to clients and Customs' community protection responsibilities will not be affected. That is the first question.

On the second question, it is disappointing that the public's attention has been diverted by what happened up to 25 years ago, and a generalisation drawn from single advertisements in a firearms magazine. I might say that the criticisms of Customs relate to 13 years of Labor Party control on firearms. We are concerned about the future control of firearms. Under the leadership of Prime Minister John Howard, the Police Ministers Council has reached an agreement on a uniform and tougher approach to gun laws, which will make Australia a safer place to live in. This historic agreement will ensure that there is a consistent application of firearms law throughout Australia.

On 14 May 1996, amendments were made to the Commonwealth prohibited imports regulations to give effect to the resolutions of the Police Ministers Council. At present, Customs together with the Commonwealth Law Enforcement Board, Attorney-General's Department and the Australian Federal Police are further reviewing the Commonwealth prohibited imports regulation with respect to firearms to ensure that they are clear and easily understood and that the controls are administered effectively. The review is expected to be completed within two weeks.

Endangered Species

Senator ABETZ—My question is directed to Senator Hill. The minister would be aware that a fish found only in the Derwent Estuary in Tasmania was recently declared to be an endangered species. Can the minister tell the Senate what caused this fish to become endangered and what the government propos-

es to do to avoid similar problems occurring elsewhere?

Senator Ferguson—Labor fish!

Senator HILL—It is not a Labor fish; that is most unkind. This gives me the opportunity to remind the Senate of the opportunity lost this week for the Senate to fund a \$1 billion Natural Heritage Trust that could address some of the major failures that we find in the Australian environment. I am sorry that the Australian Greens have not even bothered to turn up today. Of course, they particularly missed the opportunity—

Senator Kernot—They are not the Australian Greens; they are the Western Australian Greens.

Senator HILL—The Greens and the Democrats, who claim to be here, elected by conservationists and environmentalists, so badly let down those constituencies this week when they missed the opportunity to fund a \$1 billion Natural Heritage Trust to address some of the major deficiencies in our environment. The part that I am particularly talking about in this instance is the \$100 million coasts and clean seas—

Opposition senators interjecting—

The PRESIDENT—Order! I wonder whether you realise what you look like to people upstairs and all around Australia who are watching you. This is the national parliament; I do ask you to behave like national parliamentarians. Senator Hill has the call, but I do think, Senator Hill, it would be better if you did not attack people personally, because that is when you get the reaction you did get.

Senator HILL—I think it reflects the uninterest of the Labor Party, the Democrats and the Western Australian Greens in the environment.

Senator Schacht—Name the fish.

Senator HILL—The fish, as all Tasmanians know, is the spotted handfish.

Senator Bob Collins—You did not know that.

Senator HILL—I did know, because it was disappointing to me that one of my first acts as environment minister—I am not sure

whether Senator Faulkner knew—was to declare this fish on the endangered species list. The reason, apparently, is that a pest has been introduced from the ballast of visiting ships.

Senator Bob Collins—Ballast water.

Senator HILL—Ballast water.

Senator Carr—We are back on the quarantine service, are we?

Senator HILL—There have been approximately four pests introduced so far that we believe are doing severe damage to our sea life, Senator Carr, if you are interested at all in this matter. The advantage of setting up a coast and marine policy like this is that you provide a capital base to do the research and to get on with not only resolving the problem but providing preventative action for the future. This and so many initiatives in the environment require funding that needs a capital base that we have not had in the past. I give the Labor Party the benefit of the doubt in thinking that they would have liked to address some of these serious environment problems. Senator Carr, are you interested in the need for the revegetation of Australia?

Senator Carr—I certainly am.

Senator HILL—Some of you are interested in money for forests; some of you might be interested in coasts and marine environments. Some of you are interested in endangered species. But you did so little when you were in government because you did not have the money and you were not prepared to look for a funding base to do it. We did. We found the capital base in order to meet this national responsibility to set up the largest capital fund to address Australia's environment deficiencies in the history of this country.

But what happens when we come into this chamber? You, the Labor Party, the Greens and the Australian Democrats, say, 'We don't care about the environment.', because when you are given the opportunity you vote it out until August—no funding base until August. We know what will happen in August. You will then vote it down, won't you? As you said on the first day of this session, Senator Faulkner, 'We will not allow this government the capital base to address the major deficien-

cies that exist in the Australian environment at the moment.'

Your constituency must be furious, Senator Kernot. What will the electors who sent you here to fight for the environment say when you are given the opportunity to fund this environment package and you say no because you are so ideologically blinkered on telecommunication matters? What will the electors say about the Australian Greens, to whom they entrusted environment matters? They must be very disappointed. (*Time expired*)

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

Migrants: Social Welfare Entitlements

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

That the Senate take note of answers given by the Minister for Social Security (Senator Newman), to questions without notice asked by Senator Faulkner today, relating to the two-year waiting period for migrants to receive certain social security payments.

What we have had today is an open and shut case of a minister misleading the Senate. Today, we have had a clear case of abrogation of ministerial responsibility on the part of Senator Newman and an abrogation of her responsibility to the parliament and to the electorate. There is no higher responsibility than for a minister to provide truthful answers to the parliament during question time. The answers that Senator Newman gave to my questions today, which she described as truthful, and the answer to the question I directed to Senator Newman yesterday, which she again described as truthful, are an absolutely clear case of this parliament being misled. Yesterday, in answer to my question, Senator Newman said:

The question of child-care assistance and child-care rebate is not the responsibility of me alone and that decision has not yet been finalised.

Today I gave Senator Newman two opportunities to correct the record.

Senator Sherry—Two.

Senator FAULKNER—Two opportunities to correct the record. We know, in fact, from a letter from the Prime Minister (Mr How-

ard) to Senator Newman, which has now been made public, that this matter has been finalised. We know it has been finalised and we know that Senator Newman's answers to the Senate were untruthful. If that was not clear enough, we have had proof today—not only from Senator Newman but from other senators. It has become even more clear, from a letter from the Prime Minister to the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone), that this is the case. This letter, dated 13 May 1996, says:

As you will recall, Cabinet decided on 27 March 1996—

let me give you the reference, Senator Newman, just so you can go and check the records: the relevant reference is JH96/0019— . . . that the two year waiting period would be extended to a range of payments beyond those proposed in Senator Newman's original submission.

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The list of additional social security payments to which this waiting period shall apply has now been finalised.

There it is, in black and white, in a letter to the Minister for Employment, Education, Training and Youth Affairs on 13 May of this year. Senator Newman had the opportunity today to give the Senate a truthful answer. What did we get? Nothing but two further answers, one assumes deliberately designed to mislead this chamber. She has misled this chamber not once, not twice, but three times. Is that what Senator Newman believes is the responsible role of a minister in any government? Is that your view of ministerial accountability? How does that comply with the much touted new code of ministerial conduct from Mr Howard. Mr Howard's guide says:

Ministers must be honest in their public dealings and should not intentionally mislead the Parliament or the public.

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. . . ministers accept two major responsibilities: first for the overall administration of their portfolios . . . and secondly for carriage in the Parliament of their accountability obligations to that institution.

You have failed, Senator Newman, on three occasions to fulfil your responsibilities. We clearly know from Mr Howard's correspond-

ence that you had concerns, we know that you misled the Senate and we know that you have given a very incompetent performance as you are a very incompetent minister in a very incompetent government. (*Time expired*)

Senator NEAL (New South Wales) (3.15 p.m.)—This government has made much in recent times about their mandate. They said lots about their rights as a government and their rights to carry out their mandate. The trouble is that they have forgotten one essential thing—that a mandate is a two-way relationship. Not only do you have rights in a two-way relationship, but you also have responsibilities. There is a relationship with the voter, which means that when you give an undertaking to carry out a certain policy when you are elected, after you are elected you have a responsibility to continue to put forward that policy.

Senator Abetz—I rise on a point of order, Madam Deputy President. I was wondering whether Senator Neal might like to table the document from which she is reading, along the lines of Senator Bolkus's point of order during question time.

Senator NEAL—I have some notes here that, if you wish, you may come over and inspect. But you are probably very unlikely to be able to read them because my handwriting is not the best. The situation is that when you go to an election, putting forward a particular platform, when you are elected those people have an entitlement to have that policy persevered with once you get into government. What has become very clear with the answers that were given by Senator Newman on this occasion today is that they do not intend to pursue the policies they put forward to the people prior to the election now that they are in government. This is very clear if you refer to the statements made by Peter Costello, the present Treasurer. In relation to new immigrants, he very clearly says:

Full access to family payment and Medicare will be maintained . . .

We might be mistaken—and I am sure some of the people out there in the electorate might be mistaken—into thinking that a full family payment actually means a full family payment. I suppose that would be a fairly reason-

able assumption. But no, a full family payment, when interpreted by the present Prime Minister, John Howard, does not actually mean a full family payment. John Howard's interpretation of a full payment means half the family payments that most people would rely on—that is, the basic family payment, and the supplementary family payment will not be paid. Somehow the full family payment, after it has gone through the John Howard mill, only means half the family payment that most people could rely on.

You should go and talk to Mr and Mrs out there in the electorate, with two children, who are working away at their jobs. Men come home and talk to their wives, who have been working in a part-time job. They represent a large part of the community. They come home and they have two kids who have gone off to school. They are relying on making ends meet by the family payment. When they think about the full family payment, they do not think it means just the basic family payment. They think that the full family payment means the basic family payment plus the supplementary family payment. Most of you out there would think the same thing. It is pretty obvious that Senator Newman thought that the family payment meant both family payments. In her answer yesterday she said:

People will continue to receive family payments during the period as they do at present.

What family payments are received by new immigrants at present? As soon as they arrive they are entitled to receive both the basic family payment and the supplementary payment, not just one of them, as John Howard would have us believe. If you examine the views of the community and the normal interpretation that any member of the community would have, you would assume that they would include both.

It is completely dishonest and a breach of the promises that you made to the community to come in here trying to divide them on some sophistry of terminology and say that the family payment only includes half of it. Your confusion about what the full family payment means indicates that this is certainly the case and that that misunderstanding is

something that the general community would have. (*Time expired*)

Senator NEWMAN (Tasmania—Minister for Social Security and Minister Assisting the Prime Minister for the Status of Women) (3.21 p.m.)—Senator Neal is clearly the one who is confused, like her leader in the Senate, Senator Faulkner. I went on *PM* last night only to listen to Senator Faulkner floundering around as the new shadow minister, obviously not knowing the difference between the family allowance and the family payment. The problem for him is that it was his government that changed the name. The amount of money that will be paid to migrants is exactly what was promised.

Let there be no doubt about it: nobody has misled either the Senate or the Australian people at the election. They will get exactly what we said—entitlements to Medicare and family allowances. The family allowance has been changed to a minimum family payment. That is what they will get. That is the first thing to be dealt with in relation to Senator Neal.

As far as Senator Faulkner is concerned, we know that the word around Parliament House is that Senator Kernot is now the de facto Leader of the Opposition. I reckon that is probably what has got to the bottom of Senator Faulkner; he is trying to make a name for himself. When he learns his job, he may be able to tell the Senate the truth.

The point is that he was going on yesterday about some letter from the Prime Minister (Mr Howard) that is supposed to have stated that the matter was finalised. This was the matter of child-care assistance. I gave the Senate a truthful answer—that the matter was not finalised and that it was not my responsibility. Today I repeated that twice. That was the truthful story I told you here in the Senate. You have known me long enough now to believe that I would not mislead the Senate.

Senator Faulkner—We knew you did.

Senator NEWMAN—Well, then more fool you.

Senator Faulkner—I know you did.

Senator NEWMAN—I have not misled the Senate. You purported to—

Senator Faulkner—Why don't you do something about it?

Senator NEWMAN—You purported to be using a letter to Senator Vanstone, which I have not seen, to suggest that I had misled the Senate. In fact, from what I could hear of the letter which you quoted to Senator Vanstone, it was talking about social security entitlements having been finalised. Child-care assistance and child-care cash rebates are not social security entitlements. They are the responsibility of another department, which happened to be paid by Social Security. When you have learnt the job of being shadow minister for social security, you will be able to understand it. I am not responsible for those, excepting the payment. I have not misled the Senate.

Senator Faulkner—You know that the letter is using the words 'social security payments'. You know why it is using that terminology.

Senator NEWMAN—They are not social security payments to the extent they will require—

Senator Faulkner—It is using it to differentiate between DEETYA programs and everything else.

Senator NEWMAN—Why don't you wait and have a good look at the legislation? My legislation being introduced into the parliament does not cover that portfolio.

Senator Faulkner—You said you hadn't seen the letter. Make up your mind.

Senator NEWMAN—I said to you that non-social security payments will not be covered in my amending legislation.

Senator Faulkner—You said you haven't even seen the letter.

Senator NEWMAN—No, I haven't.

Senator Bob Collins—Explain the letter. You haven't done that.

Senator NEWMAN—How can I—

The DEPUTY PRESIDENT—Senator Faulkner, will you please stop interjecting. It is impossible for others to hear. You have had your opportunity to speak.

Senator NEWMAN—Social security entitlements have been finalised. I am not responsible for other entitlements that are paid on the responsibility of other ministers which, if they are affected, will be treated in separate legislation. They are not my responsibility. I gave you a truthful answer yesterday and this is much ado about nothing.

Senator ROBERT RAY (Victoria) (3.26 p.m.)—Senator Newman has just said that child-care assistance and child-care rebate is not her responsibility. Yesterday she said that they were not her responsibility alone, but there is no dissembling in that particular statement. Why, therefore, did she go on and say, ‘And that decision has not yet been finalised.’? That is a statement she made here. If she is not responsible for it, why is she going on and saying, ‘This particular matter has not been finalised.’? She could say, ‘I do not have knowledge of it. It is someone else’s responsibility. It is an answer some other minister should give.’ But, no. She says, ‘The matters have not been finalised.’ Yet there is clear evidence from the letters by the Prime Minister (Mr Howard) to Senator Vanstone that these matters have been finalised. These matters were finalised at a cabinet discussion on 27 March. These matters were confirmed by prime ministerial letter to Senator Vanstone on 13 May.

What has happened here is that Senator Newman was asked a relatively tricky question yesterday and has given—I don’t know whether the answer given yesterday was deliberately misleading—a slack answer that I think all ministers are guilty of, saying, ‘I don’t think this matter has been finalised,’ et cetera. But Senator Newman should have been briefed and should have been organised for today to correct the record at the first available opportunity this morning but, if not, twice by invitation from Senator Faulkner. Had she done so, that would have been the end of the matter. But Senator Newman on two occasions failed to correct that part of the record.

The problem is that if you do not have responsibility for those two particular areas alone, as you said, you should not have gone on to comment on whether or not they have

been finalised, where every other piece of correspondence indicated that final decisions were made on these matters as early as 27 March. It is now 22 May. You should have known about these matters. If you don’t know, don’t trespass into them.

The thing that has got me really puzzled is that you have a department with thousands of employees—probably a reasonably competent staff. Between yesterday at question time and today, they should have come up with a decent brief for you to at least correct any misapprehension that may have existed. Instead, all we got was a ‘bluff it out, don’t answer the question that Senator Faulkner asks, wait and see’ policy.

How many answers did we get today to the effect of, ‘We will announce that when we are ready. We won’t answer any questions in this Senate.’? That might even be a sustainable policy in terms of government philosophy. If all your correspondence from the Prime Minister was not leaking everywhere, if all your documents were not coming off the back of a truck at a rate of knots, that might be a relatively good approach to government. But in these cases we can all read the truth. When the truth contradicts statements made by a minister in this chamber, we are entitled to note those answers and point out the discrepancies.

I think the great problem with this is not what Senator Newman said yesterday because ministers are not, and cannot be expected to be, word perfect in every answer they give, especially in the sort of atmosphere at question time of a bit of a bear pit. But they do have a chance to reflect afterwards that this answer was not accurate, not correct, and come in and correct the record.

To be invited twice today by Senator Faulkner to come in and correct the record and not do so is the sort of weak covering up that ministers should not indulge in. It is much better to come in and front us here and say, ‘I was mistaken yesterday.’ That ends up being the end of it. Everyone knows there are rubbers on the ends of pencils because everyone makes mistakes, including ministers.

Given the amount of attitude we had out of them in the first couple of weeks, an attitude

of lording it over us, as though they could not make mistakes, it is interesting to look at the change in behaviour of some ministers at question time over the last two weeks. I do not think Senator Newman today has given us sufficient information to explain why she made the statement that these matters were not finalised when every other piece of evidence seems to suggest they have been finalised.

Senator ABETZ (Tasmania) (3.30 p.m.)—It is quite clear that the Labor Party has got out the limp lettuce brigade to attack Senator Newman—and it has been a spectacular failure. Indeed, it was so spectacular that the de facto Leader of the Opposition, Senator Ray, had to be called in to try to give some substance to the opposition attack, which was so incompetently led by Senator Faulkner and then only highlighted by Senator Neal's non-contribution.

The reality is that there is no substance to the allegation that Senator Newman has misled the Senate. That is the point you are trying to make. Senator Newman is an honourable senator. I have known her for a long time. I am proud to say that she is one of my parliamentary colleagues from the state of Tasmania. We consider her to be the senior Liberal from the state of Tasmania. She is an excellent senator and an excellent minister—in great contradistinction to Senator Faulkner when he used to be minister for the environment.

Senator Faulkner is now trying to fuddle his way through the social security maze that his government created. He got the terminology wrong, as was so ably expounded by Senator Newman. You are trying to make an attack on facts and figures that you do not understand as a result of the information you cannot comprehend. Senator Ray, in one of his throwaway lines, said that the departments were too busy leaking. Isn't it interesting that after 13 years of Labor we are now having all these leaks from government departments. I ask, rhetorically, of course: why is it that the departments never leaked the \$8 billion black hole that the Labor Party left us? Why was that never leaked?

Senator Forshaw—Madam Deputy President, I raise a point of order. My recollection of Senator Ray's comment is that he said there was actually leaking from the Prime Minister's office down. I do not know why you are actually reflecting upon the departments.

The DEPUTY PRESIDENT—I think that is a matter for debate. You can take that up later, Senator Forshaw, if you wish.

Senator ABETZ—You always know you are going well when the likes of Senator Forshaw try to take up your time by a frivolous point of order. The reality is that the Public Service did not leak to us the huge debt left to us by Laurie Brereton, the then minister, on the Australian National Railways. Why was that never leaked?

We know that after 13 years of Labor there have been certain appointments in the Public Service which are, at this early stage, causing us some difficulty, and the Labor Party is clearly having great delight in dealing in stolen documents. One of these days they will be traced and you will recall the sorts of comments that then Senator Gareth Evans, now Deputy Leader of the Opposition in the House of Representatives, made about that sort of behaviour.

The point that I want to make is that I have known Senator Newman for a long time. She is a woman of absolute integrity. I fully support her. If she has given an answer, I would have every confidence in believing her as opposed to the likes of Senator Faulkner and his colleagues when they make this frivolous allegation that Senator Newman has misled the Senate. At the end of the day, in our Westminster system and in our parliamentary system, an accusation of misleading is one of the worst that you can make against a fellow parliamentarian.

I stand up here today without any equivocation in saying that I support Senator Newman absolutely, 100 per cent. It is interesting to note that Senator Ray has done his little dash to try to support the Leader of the Opposition. He has now left because he knows that the cause is a hopeless one. There is no substance to the allegation that is being made. The Labor Party will have to do better than that if

it ever wants to get back onto this side of the chamber. The accusation against Senator Newman is a heinous one and one that the opposition ought to be absolutely ashamed of.

Senator CROWLEY (South Australia) (3.35 p.m.)—We have just listened to one of the very worst arguments I have ever heard in this place. Senator Abetz was drawing the long bow that if Senator Newman was an honourable lady yesterday she could not have made a mistake today. We do not argue that Senator Newman is not honourable. We argue that she misled the Senate in her answers to questions yesterday and twice today. The issue is whether or not she misled the Senate, not whether she is noble or the best thing since sliced bread in Tasmania. That is all that matters.

It is very clear that she did. She did it in two ways. The first was a very direct misleading, and that involved the question of whether or not these payments had been finalised. Yes, they have been finalised. The second misleading was as to the matter of whether child-care assistance and the child-care cash rebate are social security payments or not her ministerial responsibility. The answer to this matter was some fine footwork and obfuscation.

Senator Newman—That is what I said yesterday.

Senator CROWLEY—No, Senator, let me take you through it. The important point here is that the letter from Mr Howard, which makes the crunch point about these payments being finalised, distinguishes social security payments as a group covering all those apart from DEETYA—Department of Employment, Education, Training and Youth Affairs—payments. Every other payment under the social security payments has been finalised. There is the proof that what you said, Senator, is incorrect and is a statement misleading this parliament.

For the record, Senator Newman, yes, I do know about those family payments. Your more mannerly but still no less abusive comments to this side of the chamber do not assist your argument either. Child-care assistance is a matter, through social security, of assessment for eligibility which has to be

worked out by the Department of Social Security and clearly falls within the purview of the social security and social welfare part of the budget. The Department of Social Security writes to centres, in particular, and families outlining the eligibility that any particular applicant is entitled to.

The child-care cash rebate, as you know, Senator Newman, is administered through the Health Insurance Commission. The case may be more strongly made there that it is not so directly within the purview of the understanding of social security payments. The child-care assistance does come under that heading, particularly when you are making the point Mr Howard is when he says:

The list of additional social security payments to which this waiting period shall apply has now been finalised.

In other words, what Mr Howard was saying was, 'I need to finalise your payments in Employment, Education and Training and Youth Affairs, as apart from payments in Social Security.

It is a very important point, Senator Newman. You cannot just dismiss child-care assistance and the child-care cash rebate as not within your purview. Besides that, weren't you at the cabinet meeting where these matters were finalised? You do not only have to have a responsibility for your portfolio; you can be aware of decisions taken in general covering more than one portfolio. That is presumably what you are doing when you are there deciding about it. Senator Newman, you have made a big mistake. In your fancy footwork, you have failed to correct your big mistake. I would very strongly reinforce what Senator Ray had to say. You did get it wrong yesterday.

Senator Newman—No, I didn't.

Senator CROWLEY—You got it wrong, Senator, and you have failed to take the opportunity to correct it. They have been finalised and no amount of fancy footwork is going to take that mistake of yours away. You have missed the opportunity to correct it and that is why people on this side are so cranky about it. You have misled the Senate. That is a matter of great gravity. I would suspect that you probably—

Senator Panizza—I raise a point of order, Madam Deputy President. I was wondering if the speaker could address the chair rather than the minister over here.

The DEPUTY PRESIDENT—If you are failing to address your remarks through the chair, Senator Crowley, you should do so.

Senator CROWLEY—I am advised, Madam Deputy President. We are coming to the conclusion of my contribution. I can only reinforce what you have said and the evidence provided to us.

Senator Bob Collins—Table the letter.

Senator CROWLEY—I certainly will. I presume I will be able to do that. I just want to remind people again that it was a matter particularly of the misleading going to the question of you saying that it was not finalised. You knew it was finalised. You knew social security payments, including the child-care assistance, were finalised, and you told the Senate otherwise. You have also obfuscated on the matter of child-care assistance, which in considerable part is your purview through social security.

Senator Newman—Not mine alone.

Senator CROWLEY—Well, Social Security assesses it; Social Security writes to people about it; Social Security has a very large hand in it. When you want to say that you do not later on, we will remind you of this. I seek leave to table the letter from Mr Howard, which gives the weight to the claims which we are making about Senator Newman.

The DEPUTY PRESIDENT—Is leave granted to table the letter?

Senator Hill—Can they observe the usual courtesy of showing it to us first?

Senator Faulkner—I raise a point of order, Madam Deputy President. Senator Hill asked me if the opposition could table the letter, so it seems a rather odd request.

Senator Hill—No, I would like to have a look at it.

Leave not granted.

Senator O'CHEE (Queensland) (3.41 p.m.)—This attack we heard today from Senator Faulkner is an attack he has been practising for the last two days. Every day for the last three days he has come into this

chamber and accused one minister or another, or even coalition backbench senators, of misleading the Senate. Every time he has been wrong and he is wrong again today.

It is obvious that what we are going to see for the next three years is the people who are sitting on the other side coming in and accusing government ministers of misleading. It does not matter what it is about; it does not matter if the deception is coming from the other side of the chamber. Of course, we are going to see more rabid interjections from the likes of Senator Crowley because that is what she specialises in. It is very obvious, from their time in government, that Senator Crowley did not specialise in good decision making. She specialised in rabid interjections and that is what we had yet again. The fact is simply this: Senator Faulkner was mistaken. Senator Faulkner was incapable of telling the difference between family allowance and family payments. Yet he comes in here and makes this outrageous attack. (*Time expired*)

The DEPUTY PRESIDENT—The time for this debate has concluded.

Question resolved in the affirmative.

The DEPUTY PRESIDENT—Is leave granted to table the letter referred to.

Leave granted.

NOTICES OF MOTION

Consideration of Legislation

The Clerk—Pursuant to standing order 25(12), a notice of motion, to be moved on the next day of sitting, has been lodged by Senator Alston as follows:

That the provisions of the Workplace Relations and Other Legislation Amendment Bill 1996 be referred to the Employment, Education and Training Legislation Committee for consideration and report by 17 June 1996.

MATTERS OF URGENCY

Importation of Cooked Chicken Meat

The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 22 May 1996, from Senator Woodley:

Dear Mr President,

Pursuant to standing order 75, immediately after question time today, I propose to move:

That in the opinion of the Senate, the following is a matter of urgency:

- (a) the threat posed to the economic viability of Australia's poultry industry and to the health of Australia's poultry and native bird population by the Government's plan to allow the importation of cooked chicken meat into Australia, and
- (b) the need for the Government to reverse its decision to allow cooked chicken meat to be imported into Australia.

Yours Sincerely

John Woodley

Is the proposal supported?

More than the number of senators required by the Standing Orders having risen in their places—

Senator WOODLEY (Queensland) (3.45 p.m.)—I move:

That in the opinion of the Senate the following is a matter of urgency:

- (a) the threat posed to the economic viability of Australia's poultry industry and to the health of Australia's poultry and native bird population by the government's plan to allow the importation of cooked chicken meat into Australia, and
- (b) the need for the government to reverse its decision to allow cooked chicken meat to be imported into Australia.

I move this matter of urgency because I am very concerned, indeed appalled, that the Minister for Primary Industries and Energy (Mr Anderson), a member of the National Party, has made a decision or is planning to make a decision which will have grave consequences for poultry producers, the chicken meat industry and potentially for the Australian environment. Before I give reasons for moving this urgency motion, I do thank Senator Brownhill for drawing my attention to the fact that perhaps the government has not made a decision. Senator Brownhill, I went back and looked at the question which was asked by Senator Burns and the answer given by Senator Parer. It is very clear in the answer given by Senator Parer that he was under the impression that the government had made a decision.

Senator Bob Collins—The minister told the House.

Senator Brownhill—He did not say that at all. If you read from this, he did not say that.

The DEPUTY PRESIDENT—Order! Senator Woodley has the call and is entitled to be able to present his arguments.

Senator WOODLEY—I have read it and it is quite clear. I am going to stay with the original urgency motion, but I do thank Senator Brownhill for drawing that to my attention.

I hope the Senate is prepared to support my call to the government to ensure that it does not proceed with any plans to allow the importation of cooked chicken meat into Australia. There are many things I could say on this important matter, but these concerns have been raised so eloquently by so many other members of the Senate and the House of Representatives from all parties in recent years that I thought I would bring their words to the attention of the Senate and to the government.

Before I quote some of these excellent speeches made by various parliamentary colleagues, I wish to quote the conclusion of a paper presented to the Australian Chicken Growers Council by John Larkin, an economist who deals in economics and agribusiness research. Mr Larkin states:

The economic costs of allowing poultry meat imports far outweigh the benefits. Even on an extreme view of the "free trade" doctrine imports could not be justified. Australia has over the years developed a unique and efficient disease free poultry industry in harmony with Australia's natural environment and its wildlife. This is something of value which Australia should preserve—and perhaps also turn to advantage in its "Clean and Green" image as a premier world agri-food exporter. It seems reasonable, and also justifiable under the WTO—

World Trade Organisation—

for Australia to maintain its existing restrictions on poultry meat imports under the new SPS Agreement. From the economic viewpoint, the case against imports is very strong. In any event, imports should not be contemplated without prior attention by governments as to how the large economic costs and resulting unemployment will be dealt with, and what prior structural adjustment and tariff-quota measures would need to be put in place.

I say to you: prior structural adjustment, not something that happens after the event. A 1991 study on the Australian poultry industry, also by Mr Larkin, contained the following points:

Relaxation of Australia's quarantine regulations over imported poultry meat would crush the Australian poultry industry, both through the risk of devastating exotic disease and high volume imports of subsidised chicken meat from overseas.

No economic or social benefits to Australia would arise from relaxation of quarantine restrictions on imported chicken apart from some temporary reduction in retail prices as subsidised foreign suppliers position themselves quickly to gain market share and destroy the base of the domestic industry.

Let me turn to a speech made in the House of Representatives by a friend of mine Alan Cadman. He very clearly outlines the costs to Australia of this foolish decision. He said:

In the chicken meat industry, the economic gain to consumers is said to be about \$3 million a year. The cost to the industry if there were an outbreak of Newcastle disease is estimated, on average, at about \$30 million a year. So if we get one outbreak in a 10-year period, any economic advantage is lost immediately.

Let me emphasise that, no matter how good the AQIS protocols may be, the best protocol is not to import the stuff. An AQIS pamphlet on Newcastle disease, which is the disease most likely to threaten the Australian poultry industry, explains:

Newcastle disease, the most feared avian disease in the world has penetrated into most countries. Australia so far is free from the pathogenic forms of this disease.

When the disease first enters a country it can cause havoc in the bird industry—commercial flocks, fancy birds, pet birds and native wild birds are all susceptible.

Thousands of birds may die. Those that appear to recover can pass the disease on to healthy birds and may themselves remain chronically ill for the rest of their lives.

There is no known cure for Newcastle Disease. The disease is caused by a virus so drugs do not help. Birds continue dying even if heavily medicated.

Mr Cadman went on to say:

Dr Balkar Bains—who is one of the most widely respected authorities on poultry disease in the world—states that the possibility of introducing Newcastle disease through imports of cooked meat

is real, that the spread of the disease could not be controlled and that it could decimate the native bird population of Australia. He says, 'The evidence is not speculative, it is real.'

Senator Boswell is someone I always listen to and often actually agree with. He gave a speech not so long ago in October 1995 and said:

The pork, chicken meat and salmon industries have all expressed serious concerns, which have been backed up by scientific evidence, about quarantine changes in the pipeline that threaten the present relatively disease-free status of the industries. These concerns are very real to these industries. Frightening scenarios emerge from studies done by ABARE, the government's agricultural economic research body, on the economic effects of the most serious exotic diseases in these industries being introduced into Australia.

Hear, hear, Senator Boswell! Very often—he is spot on. Back in 1994, the now Minister for Veterans' Affairs (Mr Bruce Scott), said:

The possible relaxation of Australian quarantine regulations relating to imported chicken meat is of great concern to the domestic industry. This concern is twofold. Naturally, there is concern for the impact on local producers, but just as important is the concern for the possible introduction of the world's most feared disease in the poultry industry, the Newcastle virus.

It is quite clear that when many of those who are now in government were in opposition they were totally opposed to any suggestion that chicken meat should be imported. Mr Fitzgibbon, a Labor member, spoke about the fear in the Hunter Valley in his own electorate. He said:

In the Hunter Valley the value of the industry is around \$70 million and it employs 3,000 people directly and many more indirectly.

I am aware of course of our obligations under GATT, but members should become more rapidly aware that the level playing field is a misnomer and that, in the case of the chicken growing and processing industry, the level is particularly unlevel.

Senator Margetts from the Western Australian Greens moved a notice of motion in this place the other day with which I agree strongly. She is spot-on in saying:

That the Senate—

...

calls on the Government to heed the strenuous objections of the poultry industry and environ-

mentalists who are concerned that the introduction of Newcastle disease and other poultry diseases will have devastating effects on both the poultry industry and native bird populations, and maintain the current ban on the importation of cooked chicken meat.

I could go on and on. Senator Tambling spoke very eloquently here. Senator Baume and I share some similar views. I trust that the government will take note of the urgency motion.

Senator BROWNHILL (New South Wales—Parliamentary Secretary to the Minister for Trade and Parliamentary Secretary to the Minister for Primary Industries and Energy) (3.55 p.m.)—Senator Woodley's motion states:

That, in the opinion of the Senate, the following is a matter of urgency:

(a) the threat posed to the economic viability of Australia's poultry industry and to the health of Australia's poultry and native bird population by the government's plan to allow the importation of cooked chicken meat into Australia, and

(b) the need for the government to reverse its decision to allow cooked chicken meat to be imported into Australia.

I can assure you, Senator Woodley, that the government disagrees with this motion. We will give you a few facts. I think that you, Mr ex-minister on the other side of the chamber, had better sit back and listen to a few facts too. You have been sitting on your hands for so long that it is time that you realised the implications of some of the things you did when you were in government. This matter has been raised with industry, but no announcement has been formalised.

Opposition members interjecting—

Senator BROWNHILL—He did not say that. I do not resile from the statements that the previous minister made about the importance of the Nairn review to Australia's quarantine arrangements. Indeed, since coming to government, we have strengthened the scientific capacity of that committee, as we said we would do.

In regard to the request for the importation of cooked chicken meat, the former minister found that the final scientific and technical assessments had been completed 12 months previously. You sat on your hands for 12

months with the knowledge of scientific evidence and did not reveal it to anyone in the industry.

Senator Bob Collins—That is rubbish.

Senator BROWNHILL—Senator Collins will know this. You sat on your hands with an \$8 billion hole in the budget. You sat on your hands when you had a chance to do something for primary industry. In your term in government you drove the debt of the rural producers up from \$7 billion to \$17 billion.

Senator Bob Collins—That is rubbish.

Senator BROWNHILL—Go and sit back in your box for a minute. You did much harm to Australian primary producers in your time, so take note of a few things before you abuse us.

In regard to the request for importation of cooked chicken meat, the former minister found that the final scientific and technical assessments had been completed 12 months previously.

Senator Bob Collins—That is correct.

Senator BROWNHILL—Senator Collins, you know it. The industry was well aware that the scientific assessment was complete, and the former minister was in consultation with the industry about the outcome of the quarantine assessment. The advice from AQIS, corroborated independently by the Australian Animal Health Laboratory, the Bureau of Resource Sciences and the Chief Veterinary Officer, is that the proposed time and temperature cooking parameters are of conservatively high levels and would inactivate the most virulent of avian diseases, including Newcastle disease. That is part of the problem that Senator Woodley was alluding to.

A decision was taken during the tenure of the previous government—when the ex-minister was in power—to allow the import of eggs and retorted eggs, on the same scientific basis that cooked chicken meat was being assessed. The vice-president of the National Chicken Growers Council said yesterday:

Basically, if we were to accept the cooking protocols, maybe it will not be a problem.

But he was concerned that there could be a process breakdown. The Minister for Primary Industries and Energy (Mr Anderson) met with industry representatives on Friday, 17 May. No new scientific issues were raised at that meeting. The issue now in question is: will the procedures which AQIS will apply to importation of cooked chicken meat be in accordance with the scientifically established conditions? AQIS, with industry representatives, if they wished to join, would inspect the Thai plants before approving them for export. AQIS would be able to visit the plants in the USA, Denmark and Thailand as necessary to make sure that the control systems in those countries were absolutely perfect all the time.

Members of this house and the industry should be aware that the meat would be produced by using a system which involves veterinary anti-mortem and post-mortem inspection, so that only clinically healthy birds enter the production chain. If they are not healthy they will not produce healthy meat suitable for people to eat. Denmark has been officially free of Newcastle disease in commercial poultry for many years and vaccination against the disease does not take place. In the United States of America they vaccinate commercial poultry against Newcastle disease. Thailand vaccinates commercial poultry and outbreaks of clinical disease are largely confined to backyard flocks.

The chances of a system failure occurring, whereby only partly cooked meat is cross-contaminated with Newcastle disease as it enters Australia, it being introduced to chickens or native birds and establishing itself are very remote. AQIS is in the process of finalising the detailed and strict requirements under which importation from these countries would be allowed.

Senator Bob Collins—‘Will be’ is what you told the Senate.

Senator BROWNHILL—Would be allowed. As far as any imports are concerned, initially every shipment from each supplier would be inspected to ensure compliance with relevant Australian food standards prior to release for sale here in Australia. On the question of possible transitional arrangements, the government has received advice from an

interdepartmental committee indicating that the potential economic impact on the domestic industry is expected to be very limited. However, the minister invited the industry to consider their adjustment requirements and he would closely examine any submissions put to him if this all goes ahead. The very much more difficult and vexatious issue of imports of fresh chicken meat from the USA, Denmark or Thailand would need to be the subject of a separate and thorough assessment at a later date.

Senator Bob Collins—Two-faced duplicity.

Senator Panizza—I rise on a point of order. That is an unparliamentary remark and the senator should be asked to withdraw it.

The ACTING DEPUTY PRESIDENT (Senator West)—I ask Senator Collins to please withdraw that remark.

Senator Bob Collins—I withdraw.

Senator BROWNHILL—I used to listen occasionally to remarks from the same gentleman. He had at least a little bit of decorum when he was a minister. I would have thought he would have kept that with him when he moved to the opposition benches and kept his respect.

Senator Bob Collins—Slippery David.

Senator BROWNHILL—I ask the senator opposite to withdraw that remark.

The ACTING DEPUTY PRESIDENT—Do you find that offensive?

Senator BROWNHILL—Yes.

Senator Bob Collins—I withdraw.

Senator BROWNHILL—I quote from the *Newcastle Herald* of Monday, 20 May which states:

A spokesman for the Federal Minister for Primary Industries and Energy, Mr Anderson, who attended the Friday meeting—

that must be the chicken producers meeting—said that the issue would be resolved soon but as yet no formal decision had been made to lift the ban.

That is the position as far as I know it and that is the position I stand by in this debate.

We do not agree with the urgency motion moved by Senator Woodley for the reasons that I have given. A decision that has not been made cannot be reversed. If something was to happen with any imports, the industry in Australia will be looked after in such a way that would be to its benefit. That has always been in the minds of everyone here, especially with the AQIS protocols.

Senator NEAL (New South Wales) (4.04 p.m.)—It is of great satisfaction to me to have the opportunity to rise and speak on this issue. I thank Senator Woodley for putting this matter before the Senate today. I have taken a continuing interest in this matter and have pursued it with some interest since it was first debated approximately 12 months ago.

Before I deal with some of the matters raised by Senator Brownhill which I take some issue with, I would like to talk briefly about the Australian chicken industry at large and more particularly in the areas over which I have some responsibility. There are approximately 900 independent chicken producers in Australia which employ some 17,000 people Australia-wide. It is a little known fact that this is the second largest meat industry in Australia, although many people would not be aware of that.

There are approximately 45,000 people in Australia who rely indirectly on the industry. In fact, it brings income of about \$1.7 billion per year into the community. The trouble is that a lot of people are unaware of the role of chicken in the Australian economy and its support of a large number of people in the rural sector. We tend to think of primary industries in Australia as being sheep and beef and that is all. Certainly chicken is very much taking its place as a major income producer for Australia and a major employer.

I want to mention in particular the chicken growing areas of the central coast and the Hunter Valley. I had the opportunity of going to Mangrove Mountain, which is inside the fringes of Robertson. There are a number of chicken farms in that area and I have seen the production units. The concerns that those people have about any change in the regulations covering the importation of chickens

have been expressed very strongly to me. In fact there are about 90 farms on the central coast and 1,000 employees in the region rely on chicken manufacturing for their livelihood. Many people would be familiar with Chickadee Chicken, which actually started in that area.

In the Hunter Valley, just north of there, is an industry which produces about \$70 million worth of chicken each year and directly employs 3,000 people. There are scores of people beyond that 3,000 who indirectly rely on the chicken industry and who are also very concerned about what might be happening.

The AQIS report has been the focus of debate in the chamber. I was interested to hear Senator Brownhill say that, to his mind, there has been some misunderstanding in the view that a decision has been made. Amongst those who comment on what is happening in the Senate, and certainly amongst those people who rely on the chicken industry, there is the firm view that a decision has been made. Earlier this week, on 20 May, Senator Burns asked a question of Senator Parer as the minister representing the minister responsible. In part, Senator Parer responded:

AQIS will publish a statement within a few days setting out the detailed arrangements under which the importation of cooked chicken meat from these countries will be allowed.

The source countries he referred to included the major problem, Thailand. He went on to say:

The minister has encouraged the industry to consider their adjustment requirements, and he will examine closely any submission that they put to him on this aspect.

Senator Bob Collins—Why would you do that if you haven't made a decision?

Senator NEAL—Exactly. Why do adjustments have to be made if nothing has occurred that requires adjustment? Senator Parer's response, particularly those portions I have drawn on, clearly indicates that a decision has been made and that he will be talking to the people involved in the chicken industry about an adjustment.

I want to make it clear that what Senator Brownhill refers to as a misinterpretation is not an unusual interpretation. If you look at

some of the commentary on it you will find that it is an inference clearly drawn from Senator Parer's answer that a decision has been made. An AAP story emanating from Canberra on that same day, 20 May, said:

Cooked chicken meat from the United States, Thailand and Denmark will be permitted to enter Australia following an inquiry by the Australian Quarantine and Inspection Service, the Senate was told today.

Clearly, it is not only members of the opposition and the Australian Democrats who have concluded that Senator Parer made a statement about a final decision. The document I am reading from, which I would be happy to table, was drawn from the AAP computer, which is now accessible to everyone in the parliament.

I assume that either Senator Parer or someone acting on his behalf might have seen that story and, if he had not stated that there had been a decision, could have taken some steps to correct that view or put something on the public record to indicate that it was not the case. The only suggestion that a decision has not been made came from comments made earlier in the debate today. The delay in coming to the sudden understanding that the initial statement was that there was no final decision is really unbelievable.

It was not only the opposition, the Democrats and the media who got it wrong, apparently. The New South Wales Chicken Growers Association also got it wrong. That association has more than a passing interest in whether chicken imports should be allowed. It issued a press release in which it said:

Mr Anderson, National Party deputy leader, informed the industry on Friday that he supported the AQIS decision to lift the restrictions on cooked chicken meat.

The association clearly stated that it is in major disagreement with the decision of AQIS and this government.

I would happily support a change of decision. If, in the light of the Senate's position on this matter, AQIS thinks it is worth while changing its position, I would be very gratified. There are a lot of people out there, particularly in Robertson and Paterson, who

rely very much on this industry and who would be glad to see the position changed.

Senator McGAURAN (Victoria) (4.13 p.m.)—I am sorry to take the wind out of the sails of Senator Woodley's urgency motion but the truth is, Senator Woodley and Senator Neal, that there has been a misunderstanding or a jumping in to take advantage of the raw politics of a decision that has yet to be made. The decision has yet to be formalised. You have jumped in a bit early and I do not think the industry will thank you for it while it is in discussions with the minister at the moment.

Rather than going through the motion and wasting the time of the Senate, I intend to address primarily the question of quarantine safeguards should the decision be made. That is because you have questioned the quarantine standards of AQIS, as they have been questioned in the past by—

Senator Woodley interjecting—

Senator McGAURAN—The credentials of those of us on this side of the house are very high when it comes to questioning AQIS and the quarantine standards of this country. It was, in fact, Senator Brownhill who initiated the Senate report into AQIS which was handed down only some weeks ago.

Senator Bob Collins—Excellent report.

Senator McGAURAN—It is an excellent report. So while there is obviously another side to this argument—the side of the winds of international competition—I do not particularly wish to address that matter, but I do simply wish to address the matter of the quarantine safeguards should a decision come down in relation to allowing chicken meat to enter this country.

Senator Woodley, you would have been better off to take advantage of a briefing from the department. The primary industries department is probably matched by only the foreign affairs department in being very obliging in giving briefings on all matters across the board. It was like that under Senator Collins's stewardship. It is no different under John Anderson's stewardship. You certainly would have come to this debate—in fact, you may not have even come to this debate—with

more credibility than you have now. Had you availed yourself of a briefing from the department, you would have known for sure the position that the government takes, which is—and I state it again for Senator Collins who, no doubt, is following me in this debate—that no announcement has been formalised. That is the position.

Moreover, as Senator Neal quite rightly pointed out, this is a very big industry. It is not on the verge of collapse, as this motion would indicate. Its economic viability, should the decision be made, really is not under threat where the industry would be on the verge of collapse. The truth of the matter is that the chicken industry is one of Australia's strongest and most important industries. Those in the red meat industry know only too well that consumers over the past decade or two have been turning in greater numbers to white meat. I will just put some statistics down. Australian consumers consume some 325 million birds per year, which retail at about \$1.75 billion and, importantly, the industry employs 16,000 people directly and 45,000 people indirectly.

Senator Woodley, this is not an industry that is on the verge of collapse, because the cooked meat industry is but a niche of the market anyway. I cannot imagine the greatest purchasers, Kentucky Fried or McDonald's—unless they want a Sizzler type situation on their hands, where they get a consumer backlash—using imported fresh chickens or using cooked chicken meat.

So, Senator Woodley, as I said before, the government does come to this debate with its credentials intact when it comes to the quarantine standards of this country. The Senate report on AQIS actually dedicates a chapter to chicken meat. It is in line with any of the judgments that the government may have to make in relation to cooked chicken meat. I refer to the judgment that AQIS has made on this matter. On page 91, the report states:

AQIS judged the risk of introduction of the avian diseases—

re: Newcastle disease—

of concern to be acceptably low upon consideration of the following three factors:

- . the nature of the original product;

- . the effects of processing; and
- . the proposed use of the product.

Those recommendations were based on Australia's already high standards of treatment for cooked chicken meat. It is worthy, too, to refer to a slab of the report in relation to our already high standards. The report continues:

Dr Kahn also pointed out that the heat treatments specified by AQIS would result in a "very well-cooked product" . . . It is quite unprecedented—

our standards—

in commercial terms. The governments of the US and Thailand complained that we were perhaps being overly stringent.

While there is not an international standard in this area, our standards are seen to be the highest in the world. That is based on scientific grounds. Moreover, the risk is very low—

Senator Neal—I think that is a good thing. Do you?

Senator McGAURAN—It is a good thing. Those standards—which the previous minister, to his credit, would have had some influence on—are under no circumstances going to be lowered. In fact, the conclusion of this report is that our overall quarantine standards can be improved by greater resources and management of that department. That is what John Anderson, the present minister, is going to undertake—to better resource and better manage the department.

The risk is so low and, again, I will read Dr Kahn's evidence in relation to the very low risk of the introduction of Newcastle disease, let alone the spreading of Newcastle disease. Dr Kahn says:

The primary means of disease transmission with these diseases is bird-to-bird transmission . . . For the introduction of disease to occur into commercial poultry in Australia, for example, those birds have to be put into contact with live virus and the virus infects them and establishes.

And so she goes on. Given the short time, I cannot read much more of that report as evidence of the very high standards that would be implemented on imports of cooked chicken meat.

I just say again for the members on the other side of the house that the government has not formalised any announcement on this

matter. Therefore, that just about kills off the need for a vote, Senator Woodley, on your motion. It should, in fact, be withdrawn.

Senator BOB COLLINS (Northern Territory) (4.21 p.m.)—We support this motion. The government should reverse its decision to allow the importation of cooked chicken meat until such time as the minister has discharged his promise to the industry that no decisions would be made on import protocols until the Nairn committee has completed its review and its recommendations have been implemented.

I was a little puzzled by Senator Brownhill's demeanour today, and I now understand just why he was as nervous and as uptight as he was in delivering that nonsense which he had to deliver on behalf of his minister. He knows just how appalling that performance of his was and the words that were put into his mouth. I have to say I find it contemptible and unparliamentary that he attempted to get out of this by changing a single word in what this parliament was actually told.

Shakespeare said a long time ago, 'What's in a name?' The answer to that question is this: a great deal, as it has always been. The insertion of 'not' or 'no', just a single word, changes things immeasurably. I believe it is contemptible, and I do not apologise for that word, that an attempt was made in here by the government to weasel out of what they told this chamber only two days ago and what the media accurately reported.

Senator O'Chee—Mr President, I rise on a point of order. I do give Senator Collins a certain degree of leeway but to accuse an honourable senator of contemptible conduct is unparliamentary. It has also been ruled previously that to accuse somebody of weaseling is also unparliamentary and I would ask for those comments to be withdrawn.

Senator BOB COLLINS—I withdraw. Let me point out the fact—and it does not cover Senator Brownhill with any credibility and, as he knows, it certainly destroys the credibility of the government and a great many people and certainly the credibility of his minister—that Senator Parer when he made this statement to the Senate read it from a brief given

to him by the minister. That is exactly as he should have done.

So this was not an off-the-top-of-the-head slip by Senator Parer; the words he used were deliberate, pre-written, drafted no doubt by the department or AQIS. It was put in the question time brief—and I have actually been through this exercise a few times over the last seven years, as you know—and read out by Senator Parer. So it was not an accidental slip. The media rightly and accurately reported it. Those reports are now two days old and not the slightest attempt has been made by the government to correct them.

Senator Brownhill compounded the appalling behaviour we saw in this chamber just 10 minutes ago by quoting very selectively, as I have now discovered, from the *Newcastle Morning Herald* which in fact buries him and his government, not the other way round. Let me show you what a performance this really was. This is what Senator Parer told the Senate—and he read from a prepared brief given to him by his minister—after saying all sorts of other things:

AQIS will publish a statement within a few days setting out the detailed arrangements under which importation of cooked chicken meat from these countries will be allowed.

AAP accurately reported it. The ABC and others carried it in exactly the same way. The headline from the story was 'AQIS clears cooked chicken meat for import' and then goes on to accurately report what the minister told this chamber the other day. What did Senator Brownhill attempt to do today? It was appalling. He read out what purported to be the same statement from the minister but he changed a word, and, yes, the *Hansard* record will indicate it.

When discussing with my staff the AQIS report and what Senator Parer told the Senate the other day, I said, 'They have bitten the bullet on it. They'll be in trouble with the chicken growers.' This totally breaches the undertaking the minister gave in writing to the chicken growers that they would not even do this until after the Nairn review and after its recommendations were fully implemented. That is at least a year away and everyone knows it. If they get all the recommendations

implemented within 12 months after the report they will be doing well. I then said to my staff, 'No, if they'd intended to create that impression they would have used the word "could";' and my staff can attest to that. I said, 'They haven't used the word "could";'—and English is a very precise language—they have used the word "will". There is no doubt about it, they have taken the decision.'

Today Senator Brownhill attempted to read out what was purported to be the position of the government, and the *Hansard* record will show it. It struck a chord with me seeing as though I had this conversation with my staff two days ago. He changed the word 'will' to 'could'. It will not be good enough. I will bet you there was a discussion in the minister's office with the staff and the spin doctors to work out just how carefully they could move away from what they had actually told the Senate. I think they settled on the word 'could' as being as far away as they could walk. This explains only too well the *Financial Review* article headed 'Fowl tempers feared' that appeared on 16 May 1996. It said:

At 5pm last night the Minister for Primary Industries and Energy, Mr John Anderson, had signed off on a politically sensitive protocol allowing the importation of cooked chicken meat.

"If he hasn't already, he soon will have," an aide said confidently.

The conversation with our correspondent then proceeded something like this.

Us: "Has he told the National Party colleagues?"

Aide: "Um."

Us: "Has he told the industry?"

Aide: "Er."

Us: "There are some pretty lively chook farmers out there. Just ask (National Party Senator) Ron Boswell."

Aide: (unintelligible gurgling noise).

Us: "See you."

Suddenly it was 5.30: the aide was on the line.

Aide: "I was wrong. The minister hasn't signed off after all. He's going to consult with the industry first."

We know what happened. Your motion, Senator Woodley, is absolutely correct, despite Senator Brownhill's attempts to persuade you to change it on the basis of the appalling

behaviour in here today. The press got it exactly right. The *Newcastle Morning Herald* got it exactly right. Let me just deal with that. Senator Brownhill quoted a single paragraph from the story in the *Newcastle Morning Herald* which said:

A spokesman for the Federal Minister for Primary Industries and Energy . . . said that the issue would be resolved soon but as yet no formal decision had been made to lift the ban.

He did not bother quoting the opening two paragraphs of the same story. Let me quote them to you, Senator Brownhill. The article states:

Chicken growers in the Hunter and Central Coast were shocked by the Federal Government's move to lift an import ban on cooked chicken meat, an industry spokesman said last night.

The president of the NSW Chicken Growers Association, Mr John Wilkinson, said a meeting in Canberra on Friday was told that the Government had accepted the move on scientific grounds.

Therefore, the two paragraphs that Senator Brownhill was careful to try to keep from us absolutely nailed down the fact that the government has told the industry that cooked chicken meat will be permitted to come into Australia. That is not, Senator Brownhill, what you told the Senate today.

Just in case you are in any doubt about this, despite your appalling attempt to change 'will' to 'could', Senator Brownhill, and it will not work—I have not seen that sort of stuff done in here for a long time; in fact I do not think I have ever seen it—have a look at the press statement put out by the New South Wales Chicken Growers Association. This performance will not impress them. They said:

Minister for Primary Industry John Anderson has broken a promise to Australian Farmers that no decisions would be made on import protocols until the "Nairn Committee" review of AQIS has been completed and its recommendations implemented.

That is precisely correct. That is what his letter told them. Let me tell you the context of that letter, and it should not be understated. That letter was sent out to the chicken industry two weeks before polling day. That industry, as Senator Brownhill knows, employs thousands of Australians. It is in fact the

single most important industry in the whole of the Hunter Valley.

Many thousands of Australians depend on the industry, so this was a red-hot issue and Mr Anderson did not hesitate to play the politics. Two weeks before polling day he sent a letter out to chicken growing organisations all over Australia telling them categorically that he would not make this decision until the Nairn committee had not only finished its review but until all of its recommendations had been implemented. Now if you manage to do that in 12 months you will be very lucky. We have seen an appalling performance by the government here today.

The New South Wales Chicken Growers' Association went on to say, and I quote from the second paragraph:

Mr Anderson National Party Deputy Leader informed the industry on Friday—

that is the Friday referred to by Senator Brownhill—

that he supported—

that is, the minister supported—

the AQIS decision to lift the import restrictions on cooked chicken meat.

So we have a statement from the premier organisation that the industry supports saying that the minister has told them that the decision has been taken, that he will allow cooked meat to come into Australia.

We have every media outlet in the country accurately reporting what the minister told the Senate the other day, which accords precisely with what he told the chicken industry, and we now have an appalling attempt by the government—through the changing of a single word in that statement—to slide out from under the fact that the minister has panicked. Having told everybody that he will take the decision, the proverbial has hit the fan, he has dropped his bundle well and truly and is now trying to backtrack from making that decision. (*Time expired*)

Senator MARGETTS (Western Australia) (4.32 p.m.)—The motion before us concerns the threat to the health of Australia's poultry and native bird population by the government's plan to allow the importation of cooked chicken meat. I have mentioned this

issue several times in the past. The Greens strongly support the maintenance of the existing quarantine restrictions for the reasons stated in the motion.

Australia has an advantage over many other nations because we are free of many major diseases of poultry, stock, plants and fish which plague other nations. These problems result in major production losses elsewhere, and entail a cost to producers to try to prevent the spread of these diseases. Even where diseases are not fatal they result in loss of weight gain and so on, which shows up on the balance sheets of producers.

We are fortunate to have a clean, green image, but it is an image we can lose. We can lose the premiums this image brings. Should diseases be introduced, costs such as inspection at abattoirs will increase in an effort to ensure we do not sell diseased products. Efforts to prevent disease may have side effects. The use of antibiotics in feed shows up as residues in meat, as do many forms of chemical pest control. This will all impact on our clean image, as well as entailing positive costs.

From an environmental perspective, there is the possibility of infection of native bird populations. All indications are that the introduction of something like Newcastle disease could prove devastating to our native bird population, killing half or more of the population of some species. Some rare or endangered species could become extinct, and there are the more general ecological impacts that should be considered.

Birds are a wonderful part of our natural environment, a gift from nature which we hope our children can enjoy to the same level of richness that we do. But birds are also part of the web of life, and changes in biodiversity will have downstream effects. One of these relates to the impact of birds on insect and other pest populations, and there is also the role of birds in fertilising plants through the spread of pollen. A disease that disrupts the bird population will also have a major effect on plant and insect diversity. It will probably mean that there will be great increases in insect populations, including populations of

insect pests. So, as well as being a biotic disaster, it will cost heaps of money.

One mistake is enough to see a disease introduced permanently. The impact will go on year after year in its commercial effects and in its effect on the natural ecology. Disease and pest introduction in Australia is a one-way street. Pests and diseases, once introduced, cannot generally be eradicated, especially pests and diseases that can exist in the wild, as newcastle disease certainly can. I remind senators of the attempt to control rabbit calicivirus.

I remind senators how often things slip through inspection. I remind senators that insect and other pests have passed state borders in spite of inspection stations and procedures. I have heard a proposal that a plant in Thailand could be inspected. I remind you of the Garibaldi Smallgoods case. It is not enough to ensure that a plant can produce safe products; it is necessary to ensure that they are producing safe products. It is necessary to assure that there are no slip-ups.

I say that the idea of an inspection of a plant puts all the responsibility for our quarantine measures in the hands of Thai industry. I say this is inappropriate. I would further say that even if each batch of goods imported was checked, it is no guarantee of safety when we are talking about imports from an area where we know a disease is endemic. The only certain method of maintaining our disease-free status is to forbid imports which bring in that disease.

This is another example of GATT and the World Trade Organisation being used to drive down standards—a race to the bottom. It has been noted as likely: the US-Canadian challenge to our salmon quarantine is there as a model. This is not an isolated case. This is what we warned of. This is a campaign to strip away quarantine food and public safety regulations that exceed a lowest common denominator. We were told it would not happen, but here it is. We gave other nations this club, and now we are being beaten with it. What we said to them was, 'We agree that the onus of proof has changed, and we agree that we will have to prove that imports will damage our industry'. That is the problem

that we have signed up to, and it is time that we did something about it.

Senator CRANE (Western Australia) (4.36 p.m.)—I too would like to join this debate, and I begin by thanking Senator Woodley for bringing this matter before the chamber. As he would know, I did not get a mention in the quotes today, but I have had many things to say about the proper management of quarantine. I have also had a few things to say—and they are in that report—with regard to the importance of not using quarantine measures as an import barrier.

In this debate today all speakers have expressed concern at the disease regime. We have heard a little bit on the importance of the Uruguay Round, but I want to emphasise—and unfortunately I did not hear all of Senator Brownhill's comments—that as at this point in time AQIS has given a report to the Minister for Primary Industries and Energy (Mr Anderson), the minister has not as yet made a final decision and the matter is under review. That is the current position at this point in time. A couple of days ago when I heard the answer given here to a question, I immediately took it up with the minister because I had some concerns, not being totally familiar with that particular aspect of it.

I want to make that point absolutely clear not only to those people in the chamber but also to those chicken growers out there, all people in all other industries and also my compatriots in Western Australia. We must, on balance, have a proper quarantine system.

The former Minister for Primary Industries and Energy, Senator Collins, seems to think the way you operate in this place is to make more noise than anybody else, that that makes you more effectual than anybody else. I make the suggestion to Senator Collins that he ought to concentrate a little bit more on the substance of what he is saying rather than on the amount of noise he might make.

We remember what happened with grain imports into this country and the concerns expressed by the people on our side of the chamber and by other people in the chamber. I expect the minister in his review to apply the same strict criteria and application—I

know he will; he said that he would do it under the review that is going through now—as what we demanded then. No more, no less. I make that point absolutely crystal clear.

But I also say that I do not want the minister or anybody else to get involved in debating quarantine as an import regulation. It is not an import regulation in relation to trade. It is about keeping this country free from disease and the flow-on implications of what occurs if certain things are allowed to come into this country. I have mentioned many times in this debate that the most glaring example of this is the damage that rabbits and foxes have caused to Australia. Had we had the system in place then that we have today, rabbits and foxes would never have got here.

I refer to Senator Margetts' points. We must look at the benefits that have accrued to Australia from the Uruguay Round and what has come out of GATT. I have acknowledged in this place the work that Senator McMullan did in that area. In Canada, the Minister for Foreign Affairs (Mr Downer) will do a very good job. I have no doubt about that. He is very conscientious about what is required for Australia and the wellbeing of all citizens—including the chicken industry.

I refer to the changes that have occurred to the United States meat import law. The global tariff quota is now 657,000 tonnes, of which Australia receives 378,000 tonnes. In Canada, the quota is 76,000 tonnes, of which Australia receives 42,000. It is a similar story in Korea. It is a similar story for rice. Remember the debate in the rice industry? For years and years and years Australian farmers could not get access to the Japanese rice market. Under the agreement, we now have access to that rice market. We have a quota based on four per cent of domestic consumption, rising to eight per cent of domestic consumption by the year 2000.

In bringing these points to the attention of the Senate, to those people listening and to the general public, I am making the point that we must deal with quarantine measures as quarantine measures and we must be absolutely ruthless in dealing with them, just as we must not jeopardise the benefits that come

through to our rice producers. I refer to the dairy industry. There is an increase of 75 per cent in relation to that aspect of this industry. I do not have time to go through that matter today.

In dealing with this motion before us, I repeat what I said at the start of this debate to Senator Woodley and to other senators. I am glad we are debating this, because we can put a little bit of context and substance into the debate. In relation to the question that was asked today, you can put your own interpretations on the answers that were given. Make no mistake, I would have answered that question a little bit differently to how it was answered.

The important point that we must drive home in this debate is that the decision has not been made. It is under review. I believe that it will take some time before that review is finalised. I am comfortable with what the minister and his office have told me: it will be a very ruthless, very rigorous and very fair assessment of the current situation. That is how it sits. For those reasons alone, I do not think it is appropriate for the Senate at this point to pass this motion.

Senator WOODLEY (Queensland) (4.43 p.m.)—In terms of AQIS standards and protocols, let me mention three matters. First, papaya fruit fly. The fruit growers in North Queensland were assured that they were protected. Go and ask them now how they feel. Second, karnel bunt disease. AQIS standards allowed second-hand harvesters to be brought into Australia. Fortunately, the minister acted and prevented that absolutely devastating disease to spread from those second-hand harvesters into our wheat crops. Third, calicivirus, and this was mentioned by Senator Margetts. It is not an AQIS situation, but a situation where we were assured that everything was in place and then it was discovered it was not. I refer to trade. Actually, Senator Crane, all that is left is the rice growers. All the benefits that were supposed to flow from GATT are not being seen. The pig growers, for example, will tell you that they are not seeing any of the benefits. The tobacco growers have virtually gone. The dairy industry, which we said would be one

of the great beneficiaries of GATT, is now under threat from subsidised product from the USA into our own markets. I could go on. The wool industry, of course, is going down the tube, as is the beef industry in terms of prices.

I am not wanting to create any kind of scare tactic. I am committed to all those industries. But I say to the government: for goodness sake, give your ideology away and protect our Australian industries and our Australian jobs.

Question resolved in the affirmative.

DOCUMENTS

Auditor-General's Reports

Report No. 25 of 1995-96

The ACTING DEPUTY PRESIDENT (Senator West)—In accordance with the provisions of the Audit Act 1901, on behalf of the President I present the following report of the Auditor-General:

Report No. 25 of 1995-96—Performance Audit—Performance Information—Department of Employment, Education, Training and Youth Affairs.

Senator FERGUSON (South Australia)—I move:

That the Senate take note of the document.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES

Scrutiny of Bills Committee

Report

Senator FOREMAN (South Australia)—On behalf of Senator Cooney, I present the first report of 1996 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table *Scrutiny of Bills Alert Digest* No. 1 of 1996 dated 22 May 1996.

Ordered that the report be printed.

Joint Committees

Establishment

The ACTING DEPUTY PRESIDENT—The President has received a message from the House of Representatives forwarding resolutions relating to the formation of various joint committees. Copies of the messages have been circulated to honourable senators in the chamber.

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

That consideration of messages Nos. 7 to 13 from the House of Representatives be an order of the day for the next day of sitting and be considered together with message No. 6 from the House of Representatives .

Membership

The ACTING DEPUTY PRESIDENT—The President has received letters from party leaders and an independent senator nominating senators to be members of committees.

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

That senators be appointed to select committees as follows:

Community Standards Relevant to the Supply of Services Utilising Electronic Technologies—Select Committee—

Senators Harradine, Knowles, McGauran, Tierney, Troeth and Woodley.

Uranium Mining and Milling—Select Committee—

Senators Reynolds and Wheelwright.

NOTICES OF MOTION

Consideration of Legislation

Senator KEMP (Victoria—Parliamentary Secretary to the Minister for Social Security)—by leave—I give notice that, on the next day of sitting, I shall move:

That the order of the Senate agreed to on 29 November 1994, relating to the consideration of legislation, not apply to the Loan Bill 1996.

I also table a statement of reasons justifying the need for the bills to be considered during these sittings. I seek leave to have the statement incorporated in *Hansard*.

Leave granted.

The statement read as follows—

LOAN BILL

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 1996 WINTER SITTINGS

The authority of the Treasurer under the Loan Act 1995 to borrow moneys to finance any deficit in the Consolidated Revenue Fund will lapse at 30 June.

Legally, expenditure from the Consolidated Revenue Fund cannot exceed the moneys available to

that Fund. Successive Governments have adopted the practice of introducing a Loan Bill to authorise the issue of moneys from the Loan Fund to meet expenditures that have been appropriated by the Parliament, but for which insufficient funds are available in the Consolidated Revenue Fund.

The purpose of this Bill is to make provision for the financing of the prospective deficit in the Consolidated Revenue Fund. The difference between the potential balance Consolidated Revenue Fund and Budget as a whole is about \$2.1 billion. The difference between the two estimated outcomes arises because appropriations from the CRF include various items which are functionally classified as financing transactions rather than outlays, and thus do not affect the Budget outcome. These items include superannuation payments made by the Commonwealth on behalf of public trading enterprises.

Early passage of a Loan Bill is necessary to ensure the Treasurer's capacity to borrow in the early part of the 1996-97 financial year is not impeded.

**CUSTOMS AND EXCISE
LEGISLATION AMENDMENT BILL
(No. 1) 1996**

Second Reading

Debate resumed.

(Quorum formed)

Senator SPINDLER (Victoria) (4.51 p.m.)—The Senate is debating the Customs and Excise Legislation Amendment Bill (No. 1) 1996. The bill was introduced in the Senate on 6 May 1996 and proposes to amend the Customs and Excise Legislation Amendment Act 1995. The purpose of the bill is to correct transcription errors; to correct the application and savings provisions of the act, with particular regard to quarrying and sandmining; to allow companies which have lodged rebate applications or any other matters before the Administrative Appeals Tribunal or the courts that relate to the use of diesel fuel in mining operations prior to 1 July 1995 to be considered on the basis of the law as it existed prior to 1 July 1995, thereby restoring the original intent of the act; and, finally, to restore the diesel fuel rebate eligibility for the extraction of limestone for use in the de-acidification of soil in agriculture post-1 July 1995. I shall return to that point in just a moment.

A point has been raised about the retrospectivity of clause 2 which, if enacted, would allow this bill to be taken to have commenced on 1 July. However, the purpose of the bill is to amend the act which commenced on that date and contained a number of amendments moved in the Senate. I believe that in this particular instance the retrospective element is justified.

I am pleased to see the amendment in the bill for the extraction of limestone for use in the de-acidification of soil in agriculture. That amendment is one I announced when the bill was before the Senate but was not able to move in the circumstances because the bill was not actually dealt with by the Senate. I believe there is justification for that rebate to be continued because our farmers have been hit to leg for too long on too many matters. Apart from helping farmers to maintain the quality of their land, there is clearly a public policy element involved here as this is a major aspect of landcare in Australia.

I have noted the amendments provided to the chamber by the Greens, which seek to extend this particular clause by saying that, in various ways, it should cover a broader area in the landcare work that is being carried out by farmers. We have considered those amendments and, while there is some concern that they go beyond the ambit of this particular bill, I believe it behoves the Senate, if we agree in substance with the policy objective of an amendment that is put before the Senate, not to be distracted by what are essentially technical objections. Accordingly, the Democrats will be supporting those amendments when they come before the chamber.

I have listened to Senator Schacht before on whether, in relation to quarrying, it is possible to distinguish between limestone intended to be used by farmers for de-acidification and limestone to be used for other purposes. This was a point I raised with personnel from the department when this matter was first raised and discussed during sittings of the committee to which the bill had been referred. I was advised that it would in fact be possible to make that distinction. It was on that basis that I proceeded with the amendment.

The Democrats will be moving another amendment, which is directed towards ensuring that the rebate that applies to mining does not extend to uranium mining. As we have a policy at the moment which limits uranium mining to a small number of mines—I know there are attempts to have that extended—the Democrats believe that it is not good public policy to extend support through public revenue for the mining of uranium. Accordingly, I will be moving an amendment to that effect.

Senator SCHACHT (South Australia) (4.56 p.m.)—I seek leave to continue the remarks I was making before lunch.

Leave granted.

Senator SCHACHT—I thank the Senate for that courtesy. When speaking to this bill before lunch, I was talking about the provision for diesel fuel rebate eligibility for deacidification in agriculture. I would like to put some questions to the minister which he may answer in his reply to the second reading debate or in the committee stage.

First of all, are there any other areas in which quarrying is accepted as a legitimate claim for diesel fuel rebate for whatever material, or is this the first time quarrying itself will be allowed to be used, no matter what the material, to claim a diesel fuel rebate? Further, do we know how many limestone quarries actually operate in Australia at the moment? It may be beyond the resources of Customs to estimate this—wherever there is a limestone outcrop someone might be digging it up as a quarry and using it for whatever—but is there any information, from state governments or anywhere else, about the number of limestone quarries?

Do we know how many tonnes of limestone are quarried each year and used for whatever purpose in Australia? That could be anything from Mt Gambier building stone to limestone for road building to cement making. I would also like to get more information about how you arrived at the figure of \$620,000 a year. You will have to refresh my memory on this. I think you did give this figure to me when I was minister, but I cannot recollect it and I

did not keep copious notes at that time. I would be interested in how that figure was arrived at.

Referring back to a general issue—we do not dispute with the government because this is a bill dealing with the technical drafting mistakes that we originally introduced—could you tell us where we are at with the claims by certain companies? I think they were identified in the previous debate as CSR, Boral and Pioneer. Those claims could total \$60 million, \$70 million or \$80 million going back to 1986.

Senator Crane—Wasn't it \$96 million?

Senator SCHACHT—I might be \$96 million, Senator. You may well be right. It was a large amount of money by any definition. Certainly in my terms it is. Where before the courts is the case of a claim going back to 1986? Is it still before the AAT? Is it into the Federal Court? Or has the case been suspended pending these amendments being carried by the parliament? I think that would be useful information.

Our government was defeated on this issue in the Senate last year when we tried to knock out the claim for retrospectivity to 1986 because of the large amount of money involved. Our main argument was that those three companies had charged their customers on the basis that they were not getting diesel fuel rebate for those items. The question remained as to how they were going to compensate their consumers and whether they were just going to take the \$60 million or, as Senator Crane said, an amount that might now be \$96 million.

Senator Crane—I think it always was.

Senator SCHACHT—I am not going to argue about the figure; it is a large amount of money. Are they just going to take that as a windfall profit some years on when they had not claimed earlier? That is an issue that I think affects the arguments about the morality of retrospectivity claims or retrospective legislation and cannot be ignored. If the companies win their case through to the High Court and get the \$96 million, as Senator Crane said it is, would they do anything to

compensate the customers they have charged on the basis of not getting that \$96 million worth of diesel fuel rebate?

I know that this report from the National Audit Office has been tabled only in the weeks since the parliament returned, but does the minister have any further comments about the recommendations? I notice that, in most cases, Customs again have said that they will do their very best to carry out what the Audit Office says should be done about their suggestion that \$77 million a year is being wrongfully claimed—I think that was the figure in the report. I ask the minister if he would care to comment about this report.

As I said before lunch, this will not be the last report that the National Audit Office does on the diesel fuel rebate scheme. I think that it will run the diesel fuel rebate scheme through a review such as this about every two years. As long as the diesel fuel rebate scheme operates with over 200,000 claims being lodged a year from over 100,000 applicants and it is overwhelmingly self-assessment, the National Audit Office is always going to be asking about a guarantee that every one of the more than 200,000 claims is actually going where the act was designed for it to go. So far, the Audit Office quite rightly understands that such an absolute guarantee cannot be given although maybe the scheme could be tightened up.

In conclusion, as Senator Cook has pointed out, it is very odd that at a time when the new government is talking on every front about government expenditure being cut back, there is an add-on to the bill and a new class of claim available which, under their figures, would cost \$600,000 a year. I find it very strange that they are doing this in a climate in which everybody else has been told to tighten their belt.

It is not as though the impact of the legislation on farmers is demonstrably great. It does add some cost to the per tonne of limestone extracted from a quarry but, as I pointed out before lunch, farmers get diesel fuel rebate when they spread the lime on their farm, chucking it off the back of a truck or putting it through a spreader. All of the diesel used is

claimable; it is the actual diesel used in the quarry that is going to be eligible for the claim here. The argument is that this will reduce the cost of the limestone used for de-acidification purposes. My argument is that there is no way you can guarantee that once the claim is paid at the quarry all the limestone is going to be used down the chain, so to speak, for de-acidification. I am not convinced that that is the case.

Since the new government has been elected there has been lots of speculation in the press about the fact that this scheme overall is under major review by the new Expenditure Review Committee. I know that there has been publicity about Senator Crane's efforts to warn the new government that this would be a very nasty step indeed. During the election campaign at a public breakfast for the business community in Perth, Mr Howard recommitted the coalition to leaving the diesel fuel rebate scheme as it is, so any change would be a broken promise on the part of the new coalition government.

I suggest to Senator Crane that the categories might be left the same and that the simplest way to change this scheme and to put a cap on it is to change the percentage rebate. I understand that this can be done without legislation, Senator.

Senator Crane—You ought to know. You were a minister.

Senator SCHACHT—I know. I am just giving you a few tips now.

Senator Ferguson—Not a very good one.

Senator SCHACHT—I see that Senator Ferguson is in the chamber. I think you ought to be careful, Senator, because we will come back to haunt you on this. As I understand it, the levels can be left as they are without being indexed as diesel excise goes up. So, over a period of time, it is another way of putting a cap on the expenditure for the diesel fuel rebate scheme.

Farmers now get nearly 100 per cent rebate; miners get about 90 per cent and others get about 80 per cent. It would be very easy to leave the actual levels at 33c a litre, 30c a litre, et cetera, as they are, without changing

the scheme. That may mean Mr Howard can say, 'I haven't changed the scheme. I've left it exactly as it is. The percentage levels of rebate will just not be indexed any more for those different categories.' I will be watching very carefully. I say to you, Senator Crane, as a tip, that this will be something you ought to take up in the party room as it might be a way for them to get out from under your very careful scrutiny and defence of this scheme.

I understand, from various sources within the coalition, that the reason this last amendment for de-acidification is actually in the customs and excise bill is that in the arguments going on in the coalition a few weeks ago Mr Costello said, 'For goodness sake, let's give Senator Crane and a few of the others a bit of a win somewhere on the diesel fuel rebate to shut them up till the budget is out of the way.' You have got to be careful, Senator Crane. You may be bought off for \$600,000 here and find that in the budget, because they have removed the—

Senator Ferguson—He is worth a lot more than that.

Senator SCHACHT—I was going to say that I did not think he could be bought for that much. But just watch! The way that they can very successfully cap the scheme is not to further increase the level—to leave the present level of rebate as it is without automatically indexing it as diesel excise goes up from time to time. Over a period of time, that would save hundreds of millions of dollars. I look forward to the summing up by the Minister for Resources and Energy (Senator Parer), and he may be able to answer some of those questions. Maybe in the committee stage of the bill, in a more intimate discussion across the table in the Committee of the Whole, I will seek more information in that area.

Senator CRANE (Western Australia) (5.09 p.m.)—In rising to speak in the debate on this corrective legislation that we have before us, there are a couple of points I want to make. As it is the first time I have spoken on a primary industry bill since coming into the new parliament, I put on the public record—I don't think 'confess' is the right word—that I am a partner in a primary producing oper-

ation. Naturally, that operation is eligible for the diesel fuel rebate, as it applies to all primary producers. As I said, the rebate applies to all primary producers in this country, as it does to people in the forestry industry, the mining industry and the fishing industry. I want to make that point and hopefully it suffices for the whole of the term of this parliament.

In dealing with this corrective legislation I acknowledge the comments of Senator Schacht, but the real reason why we are back here dealing with this legislation is that Senator Schacht got it wrong last year. He brought forward his correcting bill at that particular time. That was referred off to a Senate committee, which had a look at it in a legitimate and proper process. It then came back and—for whatever reason; I am not quite sure what the reason is but we might hear why in the third reading stage—Senator Schacht declined to finish the job which he started.

Senator Schacht—Because you added amendments to it.

Senator CRANE—He declined to finish the job which he started.

Senator Schacht—Because you added amendments to the bill.

Senator CRANE—I will come to those in a moment or two. After going through that particular process we are now here cleaning up his mess—what he left behind. There are a couple of things I remind you of, Senator Schacht, through you, Madam Acting Deputy President, in terms of this particular legislation. We put up some 70 to 80 amendments to this customs and excise bill—I forget how many there were; I know we put a block together of 20 in one group to help him through his dilemma—and you consistently made the point throughout that debate, when you were minister, that you wanted to actually get a prescriptive description but you did not want to take anything away that qualified for the diesel fuel rebate from when it was introduced.

In my view, and from the advice I have, there was only one thing that did increase it, and that was the extension into the landcare

program. If we look at that, in regard to catchment areas—there is a definition in this bill of a catchment area—that was the only extension. At the time when the diesel fuel rebate came into being and the various changes were made, landcare was not a fact of life. It would have been if you had looked at Western Australia, but under a different program from the federal program. I understand that all the points that were raised in the Senate committees—I was not actually in the parliament when the second Senate committee was being handled—were things that qualified for the diesel fuel rebate prior to that legislation coming in.

The other point which I wish to deal with is the so-called limestone issue, which is dealt with in this legislation. If we go back and have a look at the practice that occurred prior to the changes being made, the mining or quarrying of limestone, whatever you want to call it, for use in agricultural purposes—

Senator Schacht—Quarrying.

Senator CRANE—Quarrying. The quarrying of limestone for use in agricultural purposes did qualify for the diesel fuel rebate and it was paid to those people who dug limestone out of the ground when it was used for the purpose of agriculture. What we have to remember with regard to this aspect, and I do not want to spend a lot of time on it, is that the mineral content of the limestone is the component—I am not a scientist but it is the ingredient as it was explained to me—which is required in terms of the acidification.

Senator Schacht—They don't extract that component out.

Senator CRANE—No, but it is in the limestone. You can go to further expense if you like; you can be quite silly and stupid economically and you do these things. Farmers around the place who have a little bit of sense. They say, 'Well, there's no point in getting the minerals out of that. It's a waste of time. It's a waste of money.' It is far cheaper and it is far better to put the limestone in its rough form direct onto the ground, and it did qualify. It is not an extension of the scheme, as some people have tried to suggest in this debate.

It is also very important in terms of the total program to look after the most valuable resource or asset we have in our country, that is the soil. I am informed that in fact the acidification of soil in this country is a greater problem than salinity is. That is the sort of magnitude that we are looking at. I think it is a very responsible step with us now in government. I believe that it would have been a very responsible step for you to have adopted at the time you were in government, and I would have said so.

I also make the point that when the previous legislation was before us—and I am sure Senator Schacht would acknowledge this—I did not personally have a problem with defining the diesel fuel rebate and how it should be applied. I did question why you chose to apply it to mining and agriculture and not fishing and forestry. There seemed to be an inconsistency in the policy position. I still have that question in the back of my mind.

This correcting legislation is before us because of mistakes made by the minister at that time. You will remember during that debate—it was very late at night or early in the morning—I suggested that we take a 15-minute break and sort out the amendments and make sure we got them right because they were fundamental to the amendments that Senator Margetts was moving at that time on behalf of the Greens with regard to retrospectivity. As it has transpired, the legislation had to come back to this chamber because other matters needed clarification, and that is what this is all about.

I comment briefly on the amendments from Senator Margetts with regard to movement into the taxation field. I do not believe this is an appropriate piece of legislation to deal with those amendments, nor do I believe this is an appropriate time. I would certainly be prepared to look at them at such a time when taxation legislation is before us. That is not to say I will agree with them or support them. I have not analysed them, but this is certainly not the right legislation in which to be dealing with them. It is the correct legislation to deal with the limestone issues.

There are one or two other points regarding the Senate's report that I need to touch on. One in particular is a very notable omission, as far as the current situation with the diesel fuel rebate is concerned and one that was covered under the previous scheme; that is, the construction or maintenance on private access roads. It is particularly applicable to our people in pastoral country. Right now it is even more applicable than it has ever been because of the series of cyclones in the north-west of Western Australia and the floods that have occurred in much of the eastern part of this continent, particularly in those pastoral areas where individual property owners have made miles and miles of private roads.

Many of those roads are used by the public to get through those properties and get around outback Australia. They are also used extensively by our Aboriginal community, particularly in the north-west of Western Australia. This issue is something that needs to be addressed. I have taken this matter up with Minister Prosser and he informs me it will be addressed when amending legislation comes before this parliament. I intend to pursue that particular matter with him.

I have already made my position clear about the importance of the diesel fuel rebate scheme to our export industries, particularly the four I have mentioned, as one way of offsetting or allowing industry in this country to be more internationally competitive. I have already emphasised that point. If it makes you feel any better, Senator Schacht, I have raised this matter in the party room, and I will continue to do so through the various forums of our party.

I would like to comment on a matter I raised when the Auditor-General's report came before us. While the Auditor-General's report identifies a number of concerns, and that is correct, it also identifies some of the good—

Senator Schacht—\$76 million worth of concern.

Senator CRANE—I made the point that it identifies a number of concerns, but it also identifies that certain actions have been taken by the customs department with regard to addressing some of those problems. I think

we must have a balanced view when looking at that. One of the problems you have in this place is that when you sit on one side of the chamber you only put one side of the story. Senator Schacht, it is not quite as easy as that.

Senator Schacht—Not for you, Winston, on this issue.

Senator CRANE—No, not for me. It is not nonsense at all. I never used to do it when I was on that side either.

Lastly, I want to look at how the diesel fuel rebate is administered. I believe it is time we really had a look at the process. It used to be an exemption scheme, not a rebate scheme. We all know the reasons why it was changed. Changes were made to sales tax—I think Senator Button was here at the time. An exemption scheme was put in. A certified number was allocated to certified people who were the only people who could sign to get it.

I think that scheme could be expanded. It would certainly reduce the administration costs. It would reduce the chances of abuse of the scheme. It could be done in the form of a bankcard or medicare card with authorised people linked to it. I think that would be a step forward. I will be promoting that change to the administration side of it in our party room and with our minister.

Having made those comments, I commend this legislation to the chamber. We will gratefully clean up the mess Senator Schacht left for us. I commend the legislation, which is in the hands of Senator Parer, to this chamber.

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate) (5.21 p.m.)—I was not going to enter this debate but I was provoked by Senator Schacht's contribution. One would have thought he would have come into this chamber full of apology—

Senator Schacht—Apology!

Senator BOSWELL—Yes, apology for having messed this legislation up.

Senator Schacht—It was the Senate's amendments that messed it up, not mine.

Senator Margetts—It was your amendments. You guys changed my amendment. You guys messed it up.

Senator BOSWELL—Yes, and the Senate has wasted eight hours trying to fix his mess up. This legislation restores the integrity of the diesel fuel rebate system. The previous government, now the opposition, removed the right to claim a diesel fuel rebate on the mining of limestone and this legislation restores that.

Senator Schacht—Quarrying. Quarrying is different from mining, Ronnie.

Senator BOSWELL—Quarrying, mining. This legislation really shows the commitment of the coalition to holding the line on the diesel fuel rebate. Senator Cook and Senator Schacht have tried to obfuscate and draw a smelly red herring across the diesel fuel rebate. Next week there will be some by-elections in certain state seats that rely on the diesel fuel rebate. So the Labor Party are trying to run the line that the coalition is going to reduce its commitment to the diesel fuel rebate.

Senator Schacht—That is what Costello wants to do. You have had the blue in the party room already.

The ACTING DEPUTY PRESIDENT (Senator Patterson)—Order! Senator Schacht!

Senator BOSWELL—Thank you, Madam Acting Deputy President. Senator Schacht, for you to come in here and run the line that there is going to be a cap, that there is going to be some reduction, an administration charge, or anything like that, is not playing the game.

Senator Schacht—What was the story three weeks ago—Winston Crane was screaming in the press.

Senator BOSWELL—Winston Crane and a number of us have been very forthright in our commitment to the diesel fuel rebate. None of us have resiled from that. This is such an important issue for the fishing, mining and forestry industries. It will give a benefit of \$620,000 to farmers who wish to place on their land—

Senator Schacht—That goes to the quarry operators, Ron.

Senator BOSWELL—In the end it might go to the operators, but there is no doubt that it goes back to the farmers. The fishing, forestry, agricultural and mining industries receive something like \$1 billion a year—\$551 to the mining industry and \$705 million to the agricultural industry. It is not a benefit; it is making those industries internationally competitive. That is why it is a requirement that no diesel fuel rebate be removed from those industries. They are really the backbone of this nation, the engine room of job creation.

I entered this debate because I think it is totally wrong for Senator Schacht and Senator Cook to come in here and set hares running all over the place that there is going to be some reduction in the diesel fuel rebate. That is totally wrong and both of you ought to be ashamed of yourselves.

Senator PARER (Queensland—Minister for Resources and Energy) (5.25 p.m.)—I thank honourable senators for their contribution to the debate. I will address the issues that relate to the customs and excise legislation which is before us. This is essentially non-controversial legislation. It is an absolute disgrace that we have dealt with just three pieces of legislation in almost three weeks because the opposition, aided and abetted mainly by the Democrats, have continually filibustered. Everyone recognises a deliberate attempt to prevent the government from introducing the policies that it took to the last election.

Senator Margetts—It is better than the last parliament. Three weeks into the last parliament there was not one piece of legislation seen to.

Senator PARER—I am glad for that interjection. Senator Margetts might recall that previous Labor government ran out of legislation and most of the time they were just filling in time. The organisation of their legislation was appalling.

Senator Schacht—This is not your legislation; it is mine from last year.

Senator PARER—I am glad for that interjection. As I said, this legislation is essentially non-controversial. It has been on the red for about 10 days.

Senator Schacht—There is a new provision in it.

Senator PARER—I will come to those amendments in a minute. I will firstly address some of the comments made by various senators. Senator Cook came in here and made the most outrageous statement which I think shows where those opposite stand on the real issues of conservation and the environment. He claimed that giving money to farmers to address the acid levels in soil—in other words, to put alkalinity into it, being limestone for de-acidification—was a handout to mates. You can see what goes through his mind all the time and what went through the minds of those in the previous government. That is what they concentrated on. To be fair to Senator Margetts, she recognised this. She has had a way of handling it that is different from the way the government is handling it, but I will come to that in a minute.

Let me address some of the questions raised during the second reading debate. Senator Cook and Senator Schacht asked how we arrived at the financial impact figure of \$620,000 for the minor addition in this bill—a very minor addition, I might say—to address acidification of soils and hence the environment.

Following this amendment being moved last year, and as part of the process which saw this amendment proposed by this government, the following costing formula was settled. It is Custom's understanding—and thus mine—that the extraction of limestone uses between two and four litres of diesel fuel for each tonne of limestone. The document 'Social and Economic Feasibility of Ameliorating Soil Acidification' published in June 1995 by the Land and Water Research and Development Corporation states that around 500,000 tonnes of lime was mined for agricultural areas in 1989-90. I am sure Senator Schacht will remember those figures now. Using this figure as a basis, one million to two million litres of diesel fuel would have been used, depending on the equipment used and so on.

Senator Schacht—And the extraction process.

Senator PARER—Of course. Using the mining rebate of 30.96c per litre, the cost would be between \$310,000 and \$620,000. The figure we have given on this is at the top end of the estimate. I think that addresses the question which was raised by both Senator Cook and Senator Schacht.

I could not help but notice—this shows the hypocrisy of the opposition—that Senator Cook said that they would not engage in obstructive behaviour. As I said earlier, what have we seen for the past three weeks if not totally obstructive behaviour. I could not help but notice that in his very impressive maiden speech, Senator Conroy said that the role of all of us in this place was to do everything possible to end up with a better Australia and that we should work together to achieve that. What an introduction from you people to a new senator in this place!

I want to respond to some of the other questions raised, particularly those from Senator Schacht—who really went to the nub of the issue, as I expected he would in view of his past position. He asked whether there were any other areas where quarrying was acceptable for the diesel fuel rebate. The answer, as far as I understand, is no. He also asked how many limestone quarries there are in the country. I do not know the answer to that, and neither does he. It is immaterial to this particular legislation, and I will say why in a minute.

Senator Schacht asked how many tonnes are quarried each year and for what purpose. I have just indicated the number of tonnes quarried for agriculture but the total number of tonnes is not known. I have already given him the answer to the question of how the figure was calculated.

He also asked a question about claims by the companies and where we were at. There are three companies involved. One matter has been heard by the AAT but not yet decided, and two are yet to be heard. There have been no subsequent claims because of the delay with this legislation. This applies from 1 July last year.

A number of speakers raised the question of identification of this material. Anyone who has been associated with the agricultural industry will know that limestone used for agricultural purposes is clearly identifiable. It is a coarse material, not the powdery material that is used for industrial purposes, and for good reason. Once you put that lime on you need it to sit there and work its way into the soil. You do not want it being washed away after the first downpour, which is what happens if you use the crushed and powdered type of limestone.

I can advise that, with respect to the self-assessment scheme operating for claims, appropriate audit procedures are in place to make sure that only eligible activities receive the rebate. Various speakers made the very patronising comment about that rebate not being passed on to farmers. Anyone who knows anything about farmers knows darn well—it is a pity that Senator Panizza is not here—that they would not let anything like this slip past them without their getting the benefit of that rebate. I also advise that limestone is generally mined from dedicated pits for agricultural purposes—

Senator Schacht—Does Customs know where those pits are?

Senator PARER—You can ask me that in the committee stage. Sales dockets also distinguish the buyers so that the end use can be easily identified. I do not think there is any particular problem with that.

The government cannot accept the amendments moved by Senator Margetts on behalf of the Greens (WA). The effect of the amendments would be to deny eligibility for rebate for diesel fuel used in the extraction of limestone which is for use in the de-acidification of soil in agriculture.

The amendments also propose to extend the Income Tax Assessment Act to provide for a cash rebate in respect of land care activities where there is insufficient income for any eligible deduction to be made. This is not the bill on which to have a debate on the appropriateness of that proposal.

The government's proposal is targeted specifically to an activity to ensure that the

cost of lime to farmers will not increase as a result of the previous government's attempt to remove diesel fuel rebate for the extraction of limestone. Whether primary producers should also receive tax rebates under the Income Tax Assessment Act for expenditure on land care activities is quite simply beyond the scope of this particular bill.

Senator Spindler, in his contribution, referred mainly to the Australian Democrats' amendment—which we do not accept—that the rebate not be extended to uranium mining. Uranium mining is a legitimate form of mining, accepted not only by the coalition but also by the opposition.

Senator Schacht—It is certainly not quarrying, we know that.

Senator PARER—No, it is not. There are only two uranium mines—notwithstanding the three-mine policy—being Olympic Dam and Ranger. Because of amendments made to the diesel fuel rebate last year, with the word 'solely' being changed to 'principally', a mine generating power for its own needs and then supplying electricity to a local town—as happens at Ranger, catering mainly for business associated with Aboriginal interests—no longer qualifies for the diesel fuel rebate.

I think that is wrong, particularly because the regulations that apply in that part of the country prevent the introduction of power lines into the area even though there are power lines from the generator up to the town. That is fairly short-sighted, particularly when you are affecting other people and there is no alternate source of energy available. These are diesel dependent places. I think that answers most of the questions that were asked during the second reading.

Senator Schacht—Were they using light fuel?

Senator PARER—Senator, my understanding is that they were using diesel, but I am a little bit unsure about that. Either way, they are caught.

Senator Schacht—I am not disagreeing with that, but I thought they were using light fuel just as a way of getting around the

rebate.

Senator PARER—Yes. Madam Acting Deputy President, I repeat that I would like to thank senators for their contribution.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator COOK (Western Australia) (5.39 p.m.)—I start by saying to Senator Parer that I will set aside all the remarks he made in his second reading speech about me. They are matters which we will deal with at some other time and in another way. They are water off a duck's back. He did come to grips with one of the questions I raised in my remarks in the second reading debate, and that is how to grapple with the question of how the \$620,000 a year additional cost to revenue is calculated.

I understood Senator Parer to say that Customs has hit upon a formula in which one of the assumptions is that two to three litres of fuel are used in the extraction of limestone. About half a million tonnes of agricultural limestone are extracted a year. That is one to two million litres of fuel, on his calculations, and the actual financial impact on additional cost to revenue is \$310,000 to \$620,000. The government has chosen the upper number in order to give a clear indication to the legislature and the community as to the additional financial impact.

If I am right in understanding the formula upon which this calculation is based, would Senator Parer be kind enough to fill in some of the gaps in the formula? Firstly, on what authority, or how, is the estimate of two to three litres of fuel, per tonne of limestone extracted, arrived at? Is there some authority that specifies this? How is that calculated? It does look like a figure plucked out of the air. I know Customs is a professional service and would not do that. On what basis is that figure struck?

Senator PARER (Queensland—Minister for Resources and Energy) (5.41 p.m.)—During the committee stages last year, evi-

dence given by the limestone authorities involved provided that sort of an estimate. Of course, one would expect that they would not overestimate it. Neither would there be any benefit in their underestimating it. It is simply on that basis and this is the figure that Customs have used to do that calculation.

Senator MARGETTS (Western Australia) (5.42 p.m.)—I was wondering if I might be helpful at this stage and ask if the Senate would like a chapter of a book called *Australian Mining and Metallurgy*. I believe it is the most recent fairly detailed study of limestone. There is a chapter called 'Limestone production in Australia'. I believe such a study is done about every 10 years. If it is helpful for the Senate, I would seek leave to table it, because it indicates that at the time of the study there were about 183 limestone quarries in Australia producing roughly 21 megatonnes per year. There are other figures in relation to that which might be of assistance to the advisers. If it is helpful for the Senate I am happy to table that at this stage.

Leave granted.

Senator SCHACHT (South Australia) (5.52 p.m.)—Can I just clarify that with Senator Margetts? You said 21 megatonnes. Is that 21 million tonnes? From what the minister said, it seems that 500,000 tonnes will go to agricultural use. What is the total figure for production, from that document?

Senator Margetts—It is 21 million tonnes.

Senator SCHACHT—I have some more questions about the formula and about these figures. The figure that Senator Margetts has tabled is 21 million tonnes extracted from quarries of limestone. If half a million tonnes end up in agriculture, and Senator Margetts said there are 180-odd—how many quarries?

Senator Margetts—It was 183.

Senator SCHACHT—I think, Senator Parer, you said most of this agricultural limestone comes from dedicated agricultural limestone quarries.

Senator Parer—That is the advice I have.

Senator SCHACHT—That is the advice you have. When you see 500,000 tonnes going to agriculture from limestone and the

total production is 21 million tonnes, I do have to say that, on the track record of the diesel fuel rebate scheme, there is always at least one scallywag out there trying to work out how they can slip some of their stuff across for another purpose. The auditor's report has been going on now for a long time, but in this last one they estimate \$76 million has been wrongly claimed.

There is a considerable potential, and I do not want to over-exaggerate it, for diversion of limestone to be claimed for other purposes than for agricultural acidification programs. Therefore, Minister, I wonder whether you or your advisers could just give us more information about the mines themselves. When they extract out of these more dedicated agricultural pits for limestone, is there machinery present on that site to just dig the limestone out? What about all the other mines that are not dedicated for agricultural production? Do they have machinery that crushes the limestone into a powder form and so on?

Therefore, you are seeing two different types of limestone. One is a more powdered form or a different shape compared to the hard, rocky stones of limestone. So a good Customs officer could see the difference between limestone coming from a quarry for a non-agricultural purpose and that coming for an agricultural purpose. Is that the import of the description you gave: that agricultural limestone is basically left as it is dug out of the ground—in lumpy stones and rocks and so on?

Senator PARER (Queensland—Minister for Resources and Energy) (5.46 p.m.)—My understanding—and I think it was yours too when you were a minister—is that the two types of limestone material are distinctly different. The industrial type limestone is a very fine powder, which is used for making cement and things like that. The limestone used for agricultural purposes is quite deliberately a type of prill. I think it is more than a grain of sand, but it is quite distinct. Therefore, it can be identified.

Senator SCHACHT (South Australia) (5.47 p.m.)—I just wanted to go around the other way to the question. When the limestone used for non-agricultural purposes, for

industrial purposes et cetera, is made finer, is that made on the site of the quarry or when it goes to the factory that may be turning it into concrete slabs or whatever? Because, if the change to the nature of the limestone occurs away from the quarry, you are then going to have a real problem of identifying and tracing that the end use is what people say it is.

Senator MARGETTS (Western Australia) (5.47 p.m.)—I will just add to that question so that you can answer both questions at the same time. Following on from what Senator Schacht has just asked, it is our understanding that only about 40 per cent of the total limestone that is produced is actually produced for cement. The other types of limestone that are produced for building and whatever other areas can be produced at whatever grades. So, in fact, whilst you might be able to distinguish a limestone for cement as per limestone for agricultural de-acidification, it is not so easy necessarily to separate out limestone for the other roughly 60 per cent of uses.

Senator PARER (Queensland—Minister for Resources and Energy) (5.48 p.m.)—There are two aspects of this: the first one is the grade, which I think we all accept; and the second one that I mentioned in my second reading speech is the sales dockets. These are subject to audit and also distinguish the buyer so that you can easily determine the end use. Obviously, even if you sent off agricultural type limestone for some other industrial purpose and it went to someone who was not putting it on his or her farm, that would be easily distinguishable because of the sales dockets issued to farmers.

Senator COOK (Western Australia) (5.49 p.m.)—It does beg the question: what if they then want to sell it? But my question goes back to something that you said in your reply in the second reading debate, Senator Parer, which was that Customs does not know the number of limestone quarries there are in Australia supplying agricultural limestone, and I deduce from that that they probably do not know what type of quarries they are and how those quarries are configured.

My question relates to an answer you gave in question time in the Senate today to a

question from our side about funding and staff cuts in Customs itself. I think in your answer you said that there were 330 positions to be cut out of Customs. My understanding is that the government has asked Customs to find, over three years, \$50 million worth of savings, and that is on top of another two per cent efficiency dividend that the new government has imposed on Customs.

So my question is: given that in your second reading reply you said you did not know the number of quarries—and, I say, nor the type probably—given the reduction in funding and staffing to Customs, how do you expect to find out? Since your question in question time today related to the security of Australia's national borders and the ability of Customs to prevent the importation of semi-automatic or fully automatic weapons, narcotics and child pornography—this is a different area of Customs' activities—can you reassure us that, despite the funding and staff cuts and the lack of knowledge about policing these particular quarries, Customs is in a position, were this bill to pass, to carry out the obligations it imposes on it?

Senator PARER (Queensland—Minister for Resources and Energy) (5.51 p.m.)—Just before I respond to that, I would like to answer the question from Senator Schacht about what sort of crushing was done on site. The response I have to that is that in the main you have primary crushing on site, which would be agricultural type primary crushing I would imagine, but secondary crushing usually occurs at places of end use such as cement works, where it comes down to a powder type form.

As regards the question raised by Senator Cook, which is really to do with funding cuts, I do not think this is the sort of legislation that deals with that, but I will give you an answer because it is similar to the answer I gave today.

Senator SCHACHT (South Australia) (5.42 p.m.)—Minister, as I recollect it, I think about 120 people are employed in Customs, give or take the odd one or two, administering the diesel fuel rebate scheme. I think that was the figure in my time. Are any of those people affected by the staffing cuts, which are

already under way and have been announced, applying for positions directly associated with the administration of the diesel fuel rebate scheme?

Senator PARER (Queensland—Minister for Resources and Energy) (5.52 p.m.)—The answer I gave today in response to the question is one that I can repeat for you. In that response I think I mentioned very briefly, senator, that when you were the minister for customs you were given the responsibility of following through the Conroy report.

Senator Schacht—Which I did.

Senator PARER—Partly.

Senator Schacht—No, fully.

Senator PARER—Not fully.

Senator Schacht—They went on strike, that is how full it was.

Senator PARER—You were prevented from doing so because of pressure put on you from third parties. You nearly did. You did part of it.

Senator Schacht—I did it all.

Senator PARER—With regard to funding and staff cuts, I did give a figure in the response I gave today but I have forgotten what that figure was. You might be right, Senator Cook. Basically, they will be efficiency cuts. They are being determined by the Chief Executive Officer of Customs.

Senator COOK (Western Australia) (5.53 p.m.)—I understand that. The figure I quoted—that is, 330 positions—was my recollection of your answer. I do not know whether that was what you actually said, but it is what I recall. However, I think Senator Schacht has actually asked my question more effectively. Can you tell us whether there will be any reduction in the staff numbers in the Customs division that deals with the administration of the diesel fuel rebate scheme?

Senator PARER (Queensland—Minister for Resources and Energy) (5.53 p.m.)—The answer to your question is exactly what I said just a minute ago. There will be efficiency cuts and they will be made in consultation with the Chief Executive Officer.

Senator SCHACHT (South Australia) (5.54 p.m.)—I take that answer to Senator

Cook's and my question to mean that, yes, there obviously will be cuts to the staff who administer the diesel fuel rebate scheme. The first people who will complain about that will be the farmers who are overwhelmingly lodging most of the applications for the diesel fuel rebate around Australia.

In my previous job as Customs minister, I was at various agricultural shows where Customs had quite rightly established booths and tents to explain the administration and the availability of the diesel fuel rebate scheme. I have been there and seen the Customs staff doing that job very well. I suspect those are the sorts of things that will get cut so it will be the farmers who will start complaining first. Nevertheless, we will see if that comes up in the budget and then in the estimates committee hearing. If it does, Senator Parer, we will have a chance to get down to the detail. Your answer to me is, clearly, cuts are going to affect the 120-odd positions in diesel fuel rebate.

Senator Margetts, I know you wanted to go back to another question but you might want to ask some questions relating to the same area—that is, the process and the end use, et cetera. I accept the information you have given us, although there is some primary processing as to whether it is agricultural extraction or whether it is for industrial use at the particular quarry which leads me to the view that if someone wants to be a scallywag they will be able to claim the diesel fuel rebate and not use it for acidification.

Senator Parer—What would they use it for?

Senator SCHACHT—They may want to take it away and refine it further at their plant at the industrial site so it can be used in an industrial process such as making cement, tiles, or whatever else. This leads me to a question about the docket, which gets to the nub of the issue. When they sign the docket when they purchase their lime at the quarry, will they declare when they purchase it that it will be put to agricultural use? Will those quarries be required to keep a decent accounting system and process of those dockets so it is easy for Customs to check those 183

quarries across Australia? Unless that is checked regularly, in my view there will be an administrative ability for scallywags to divert—

Senator Kemp—Ha!

Senator SCHACHT—In your case, I might say 'crooks'. You might recognise that better, coming from the Victorian Liberal Party. They will be able to misuse it, et cetera. As I say, we have only to look at the audit report to say that \$76 million has been wrongly claimed under their estimate of the scheme.

I want to get some information on the operation of the docket—the use being declared, how often Customs will check it and whether Customs will insist on those quarries supplying limestone for agricultural acidification work being registered so they can identify which ones to go to on a more regular basis. This is the only use for which limestone from quarrying can be used if the bill is passed as recommended.

It is really getting down to this detail. It might be a bit too esoteric for some but I know in this scheme that unless you close this down and administer it these are the loopholes which people drive big trucks through to take the limestone away, and not necessarily to the farm.

Senator PARER (Queensland—Minister for Resources and Energy) (5.58 p.m.)—I have a couple of points to make. Firstly, as I mentioned earlier, on the advice given to me by Customs, generally limestone for agricultural purposes is mined from dedicated pits. The law already requires claimants to keep records for subsequent auditing and checking. According to the advice given by Customs, the sales dockets enable them to follow up any claims and eligibilities through the audit process. That is the advice.

Senator SCHACHT (South Australia) (5.59 p.m.)—Can we get an idea from Customs how often they would visit the quarry to conduct an audit on those dockets once the system settles down and the mines are identified?

Senator PARER (Queensland—Minister for Resources and Energy) (5.59 p.m.)—According to the advice I have received from

Customs, it is a matter of judgment. I suppose they have their own methods of seeing the beacons and the flashing yellow lights or the flashing red lights that you would be aware of, Senator Schacht, particularly if there seemed to be a fairly major increase in a particular area which would indicate that they should do an audit. They would not do it so frequently as to upset the operations of the particular quarry because that is the sort of thing that drives small business in this country crazy, as you know.

Senator SCHACHT (South Australia) (6.00 p.m.)—But even allowing for that—and I will accept that; that is reasonable—would that be once a year, on average?

Senator PARER (Queensland—Minister for Resources and Energy) (6.00 p.m.)—The answer I have is that it is a matter of judgment, and if and when required.

Senator SCHACHT (South Australia) (6.01 p.m.)—I am not going to labour the point here, Senator. If the bill goes through it is a matter that, by the time the estimates committee comes round, I would like a bit more information on. I think that is only reasonable because Customs itself will want to know that this is the only use for the limestone quarried.

I would like to ask one other question on the audit process. Other than checking the docket at the quarry where people declare that they are taking it away for agricultural use, does that audit also include chasing down the chain to check that the limestone quarried for agricultural de-acidification actually is used for that purpose, not just checking and taking a declaration on the docket as enough evidence that it actually is used for that? Because, again, unless it is checked down at the other end, people might end up declaring a lot of things on the docket if they know there is no following down the chain to end use.

Senator PARER (Queensland—Minister for Resources and Energy) (6.02 p.m.)—Customs' view is that, if that is required, they will follow it right down the chain.

Senator COOK (Western Australia) (6.02 p.m.)—I have one last question to clear up your answer. Well, it is the last question

depending on your answer, I suppose. When I asked you before about whether or not there would be any staff or funding cuts to the division within Customs that administers this scheme, the answer—if I understood it—was 'wait and see'. And to the direct question: 'Yes or no?' the answer was 'wait and see'. How long must we wait to see? That is the first question. And will you advise the Senate, or the opposition—and the minor parties, too, for that matter—whether or not there have been cuts to this division? If there have been cuts to funding and staffing, how much?

Senator PARER (Queensland—Minister for Resources and Energy) (6.03 p.m.)—The extent of the cuts and where they will occur—and I have said this a number of times, even in question time today—is being determined by the chief executive officer in an effort to increase the efficiency within the department without affecting the operations of that department. That is the information I have from the minister. When those decisions are made they will become public, as they always do.

Senator COOK (Western Australia) (6.03 p.m.)—I find a bit of difficulty with the answer. It may well be that, if the objective of the government is to increase efficiency, there will be an increase in expenditure or funding for the purpose of purchasing a piece of information technology that will quickly and more effectively do things. It does not follow that you cut a funding and therefore get greater efficiency. If the government has imposed a figure, as I believe it has—and as the internal minute referred to in the other place by Mr Crean the other day shows it has—of \$50 million over three years on Customs, and if the government has, in the same document, imposed an additional two per cent efficiency dividend, the government has said to Customs, 'You have reduced funding.' And that reduced funding is of a considerable amount. 'Live within your funding cap,' is what you say.

That obviously has flow-on and consequential effects in terms of the efficiencies. Can you tell us, either by obtaining the information from the comptroller of Customs or in your own right, when we will know what the

impact will be on the section, and how much it will be?

Senator PARER (Queensland—Minister for Resources and Energy) (6.04 p.m.)—The bill we have here is one that was brought in by Senator Schacht, with a minor amendment which will cost, at the maximum, \$600,000. And you are carrying on as if we are talking about \$600 million. There are numerous ways to improve the efficiencies of any organisation—as you would know, Senator Cook, because in your days before you came into this place you went the other way in regard to what happened in Western Australia. You featherbedded places like you would not believe.

I was there last week, in fact, and I thought to myself, 'Everything is so mechanised up here in the Pilbara.' Someone said to me, 'It is all thanks to the now Senator Cook, because he made life so difficult for everyone that they mechanised everything—which cost a lot of people a lot of jobs.' I am only giving that as an example. I am not suggesting there is featherbedding in any particular area of Customs.

But what I am saying is that there are efficiency gains which apparently have been recognised. These are being considered by the chief executive. The old name 'comptroller'—I might tell you—has gone. Senator Schacht decided to modernise it and it is now the chief executive officer. That will become available and be known in due course.

Senator COOK (Western Australia) (6.06 p.m.)—There is no profit in patronising or insulting me, Senator—and doing it gratuitously invites a response. Can I just say that I do not believe your story about the Pilbara at all. If someone did say those things to you—and I do not believe they did; I think you made it up on the spot—they do not know what they are talking about either. I am quite happy to stand by my reputation and record in that. If it ever goes to contest, I am sure there are enough people who will identify the truth of what I say.

So what you are telling the Senate is that you do not know whether or not there will be an efficient capacity within Customs because of the cuts to funding and staffing that your

government has imposed to police this scheme, and that Customs do not even know the number of mines or the type of mines that are involved. That is what you are telling us, isn't it, really? Let's be honest. Just come out and say it.

Senator MARGETTS (Western Australia) (6.07 p.m.)—Minister, on the information that Customs has available to it at the moment, you did say that the quarries were dedicated quarries for agricultural use. I wonder whether Blue Circle Southern Cement obtains a number of different types of limestone. It appears to put it to a number of different uses. Is this not a fairly normal model for the kinds of quarries we are talking about? There may be small quarries within the agricultural areas but, in terms of volume, are we not talking about quarries that produce limestone for a number of reasons? Also, are we not getting pressure from the quarriers who not only will be wanting to use the rebates for supplying limestone for agricultural purposes but also will be asking that it be available for clearing of overburden and other clearing on quarries? Are the quarriers not suggesting that they will be attempting to expand the use of the diesel fuel rebate in this case?

Senator PARER (Queensland—Minister for Resources and Energy) (6.08 p.m.)—Senator Margetts, the information given to me is that, generally, quarries for agricultural purposes are fairly dedicated. That is not surprising, because limestone is not in short supply around Australia. It is a fairly common material. Often they would be located close to the point of sale, particularly in the case of remote agricultural areas.

On the second point, this legislation clearly dedicates the diesel fuel rebate to quarrying for agricultural purposes. I have not heard of a push for its being used for any other purpose. Its purpose, as you have recognised, Senator Margetts—it is apparently not recognised so much by the people on the other side—is really for de-acidification of agricultural properties, which is in the interests of this country's environment.

We had this great hoo-ha about how many auditors are going to be lost. I agree that the

figures are difficult to quantify exactly, but are you going to have a bunch of auditors running around Australia at a cost of \$1½ million to look at something worth \$620,000?

Senator SCHACHT (South Australia) (6.10 p.m.)—I refer to a question from Senator Cook about Customs numbers. Minister Parer, I accept the fact that you might not yet know what the chief executive officer of Customs has done to get rid of 300-plus staff under the efficiency program that your government has imposed. As I understand it, and as Senator Cook has said, a document in relation to Customs was referred to in the other chamber. I think it is almost a semi-public document that the chief executive has quite rightly circulated throughout Customs indicating where they are seeking voluntary redundancies to meet the number of job reductions that are wanted. I think the chief executive will finish that cuts process well before the budget session. It is not related to the budget. This is a non-budget measure. This is happening because your government, for your reasons, has proposed to reduce staffing and save money in Customs.

We ask that whenever that process is finished—in the next few weeks, month or so—and before the budget on 20 August, you provide to us information on where those cuts in numbers in the various divisions, branches and regional offices of Customs have occurred.

In particular, can you identify whether there are 120 staff equivalent positions in the branch that handles the administration of the diesel fuel rebate? Has that gone down to 118, or has it gone up to 123? That is all we ask. When the chief executive officer completes that process that you have asked him to do, can we get that figure?

Senator PARER (Queensland—Minister for Resources and Energy) (6.12 p.m.)—I will respond to you first, Senator Schacht, and then to Senator Margetts, because she raised a question before to which I gave a general answer. The answer to your question is that when those cuts are made they will be made known, as they have always been made known in the past. Senator Schacht, you mentioned earlier that there are great avenues

for you to pursue this. We had to go through the estimates committees when we were on the other side of the chamber. These things then come out in the annual reports, as you are aware.

Let me refer to Senator Margetts's question. I think you gave the example of Blue Circle. According to Customs and the advice given by Blue Circle, Blue Circle extracts lime to make cement only for their own use. They do not actually sell to farmers, according to the advice we have.

Senator SCHACHT (South Australia) (6.13 p.m.)—Minister Parer, it is fine if you do not want to give us the information. I presume that at the end of the process the chief executive will send a circular around Customs anyway announcing the position, which will then be published in the *Canberra Times* or somewhere else. So it is not a matter of great secrecy—it should not be anyway. It will be raised in relation to the administration of the diesel fuel rebate.

Minister, you have also made a remark that when I was minister I did not complete the job in relation to the Midford report and that you are now imposing this \$50 million—

Senator Parer—The Conroy report.

Senator SCHACHT—The Conroy review, which came out of what I have always called the Midford disaster. I did complete the recommendations from the Conroy report. One recommendation from Conroy said that there may be savings in job numbers of up to 1,400—'may be'. It did not say it authoritatively; it said 'may be'. We went through that. As a result, I think over 450 people left the department and we recruited about 100 new, fresh blood. That was recommended in Conroy as something that would help change the culture of Customs.

In all the recommendations of Conroy, which totalled about 115, all of them, apart from that one, were overwhelmingly adopted. I think what happened with the Minister for Small Business and Consumer Affairs (Mr Prosser), who previously was the shadow finance minister, was that he took hold of the Conroy recommendations and said, 'You have not got rid of 1,400 people; you have got rid

of 400 or 300 net. That means there still may be 1,100 to go. This is worth \$50 million. This is an effective way—a cheap way—in the election campaign to say that this is a savings of \$50 million for our election.’

The government is imposing these further cuts. The the service keeps changing with evolution; there is no doubt about that. There is information technology. There was always going to be an evolutionary change. You have gone for the big hit to prove that you can get the savings, with no diminution of the service provided to the Australian people and so on. The test in the very near future will be whether those reductions have affected the services of Customs.

I have given one example. I believe in the diesel fuel rebate area, if you reduce staff, the first people to feel the pinch of that access to information will be farmers, who are making hundreds of thousands of small claims every year. Customs does a very good job of getting out to the rural areas and the country shows.

The circular that Mr Crean mentioned says that the non-metropolitan offices—the small offices in regional Australia—will be overwhelmingly closed. In my own state rumours are going around that those offices, which overwhelmingly serve the rural sector, will be closed. There is talk that the office at Nuri-ootpa in the Barossa Valley will be closed. It serves the fortified wine industry—fortified wines, spirits, et cetera. That could be closed. Who does it serve? Rural people—wine producers and farmers. They are the ones you are closing by the reduction.

When this all unfolds over the next couple of months, we will be more than happy to take it on; we are not just waiting for the estimates committee in the meantime. I was very proud of the fact that we achieved all of those Conroy changes and changed the culture of Customs. We had a one-day strike when the union said, ‘This is too much’, but that was the only one we had. The Customs Service was able to continue to provide those services and, in particular, change the culture in providing services to industry. I am afraid you are about to start reducing the level of service to industry, particularly to the farming sector.

Senator MARGETTS (Western Australia) (6.17 p.m.)—The information relating to Blue Circle Southern Cement came from the document that I have tabled. Unless it has changed over time, there is obviously a number of layers in which most quarrying operations, especially large quarrying operations, produce and refine their product. Basically, it would mean that there is some agricultural product, unless it has changed.

The problem is that we are talking about a percentage of a product in this particular case. That is what I also asked about in relation to the removal of overburden. You say that the rebate is for de-acidification; the rebate is for the use of diesel fuel for quarriers. That is why I asked the question about the pressure to include that for removal of overburden and clearing. For instance, if you did have a quarry which was specific for agriculture, they may well say that if they are producing limestone for agriculture, therefore they should be able to claim for the diesel they use for removal of overburden and clearing. Therefore, we are actually providing a diesel fuel rebate for clearing. We are not specifically providing a diesel fuel rebate for quarrying for the use of agriculture for de-acidification. In fact, you have already expanded the potential use. This is coming from the committee that was dealing with diesel fuel rebates. The people giving submissions were arguing for this. This is the committee that sat last year. That is why we are bringing it in.

I was wondering whether this is probably the time to focus the debate and for me to move my amendments. I would like to ask that my amendments 1 to 8 be taken together. I realise that ‘to be opposed’ is normally not classified as amendments, but I ask for them to be taken as such for the sake of ease because I do not wish them to be separated. I would like to note that they now include revised amendment 70, which changes very slightly my amendment No. 7. It only adds the words ‘(2) Rebates under subsection (1) are to be paid out of moneys appropriated by the Parliament for the purpose.’ The reason for changing that and replacing that with

alternative amendment 7 is to make sure that the concerns of Senator Cook in relation to the constitutionality of amendment 7 are spelt out. I seek leave to move my amendments 1 to 8 together.

Leave granted.

Senator MARGETTS—I move:

1. Schedule 1, item 3, page 3 (lines 9 to 11), omit the item.
2. Schedule 1, item 5, page 3 (line 25), omit "(other than agricultural use limestone)".
3. Schedule 1, item 6, page 4 (line 16) to page 5 (line 3), omit "(other than agricultural use limestone)" (whenever occurring).
4. Schedule 1, item 7, page 5 (line 14), omit "(other than agricultural use limestone)".
5. Schedule 1, item 9, page 5 (lines 20 to 26), omit the item.
6. Schedule 1, item 15, page 6 (line 26), omit "(other than agricultural use limestone)".
7. Page 8 (after line 22), at the end of the bill, add:

Schedule 2—Amendment of the Income Tax Assessment Act 1936

1 After section 75D

Insert:

75E Rebates for expenses deductible under 75D where deductions exceed tax liabilities.

- (1) For the purpose of ensuring that land care activities are not compromised by the variable incomes of agriculture, in recognition of the problem that lack of income in a year in primary producers renders deductions unusable, a taxpayer eligible for a deduction under section 75D of this act is entitled to a cash rebate for the portion of those expenses, in accordance with that section, incurred after all deductions are made, which portion is not able to be deducted due to lack of assessable income in respect of that year of income.
 - (2) Rebates under subsection (1) are to be paid out of moneys appropriated by the Parliament for the purpose.
8. Title page 1 (line 2), at the end add "**and the Income Tax Assessment Act 1936**".

Senator PARER (Queensland—Minister for Resources and Energy) (6.21 p.m.)—The information that I have from Customs, given to them only two weeks ago by Blue Circle Southern Cement, is that they only extract for their own use. Even if they did not—and I am sure there are quarries around that do have

multiple end use—as I have indicated on a number of occasions, the system of receipts and so on is such that they are able to follow up on the claims right through the audit process to the end user.

As regards overburden, I was not sure what Senator Margetts meant initially, but now I do. There are different types of quarries, as there are different types of mines. Some have varying levels of overburden. It is fairly easy to track that through on a pro-rata basis. I do not have any advice from Customs on this, but I presume this is what happens. If you have 10 per cent of your production going into agricultural purposes, 10 per cent of your mining operation would be eligible for diesel fuel rebate and the other 90 per cent would not.

In regard to Senator Margetts's amendments, I have nothing more to add than what I already said in my speech in the second reading debate. For the reasons given at that stage, we do not agree with the amendments because we believe that this is not the appropriate way to do it. It is not just the reasons given by Senator Cook; he gave a couple of reasons as to why he thought they were not appropriate. We will not support the amendments.

Senator MARGETTS (Western Australia) (6.22 p.m.)—Senator Crane, when he gave his contribution, said that the government would look at these at some later time. I hope that if these get passed you will look at them carefully and accept them. These have not just been sprung on you; they have actually been circulated for a couple of weeks now. I would hope that you have had some time to look at them.

I do not know that it is inappropriate. There might always be a reason it might not be the right time to put them into a piece of legislation, but it is not something that has come out of the blue. We know that it is the kind of amendment that has been asked for by the rural community for a long time. It is particularly timely.

If there is support for this legislation, I hope that it will be accepted. If for some reason the government feels so strongly that it is not acceptable now, if the House of Representa-

tives throws it out, I hope it will come up in some other form of legislation. I am sure you would have to answer to your rural constituents if you were to do so.

Senator SPINDLER (Victoria) (6.23 p.m.)—As indicated in my speech in the second reading debate, the Australian Democrats will be supporting these amendments.

Senator PARER (Queensland—Minister for Resources and Energy) (6.23 p.m.)—One of the concerns that have been raised by a number of senators on the other side is that of following the paper trail. One of the reasons we will not support your amendments is that you are just looking at a straight cash rebate scheme. I would suggest to you—

Senator Margetts—No.

Senator PARER—It is, through the income tax system. I would suggest to you that the system we are proposing is a more effective way of following the paper trail than running to a cash system. That is a much more difficult process and it really is not appropriate for this sort of thing. It is more appropriate to have the eligibility in this sort of legislation rather than the taxation act.

Senator MARGETTS (Western Australia) (6.24 p.m.)—The farmers apply for these tax rebates anyway—

Senator Panizza—Deductions, not rebates.

Senator MARGETTS—Sorry, farmers apply for the tax deductions anyway; however, there are many years when they cannot apply for them. The normal system is that they have to be accountable. The paper chase is there anyway. In bad years and in bad seasons, the need for landcare is probably greater, as Senator Panizza would probably attest. The need for landcare assistance is probably greater during several seasons of bad weather, which we are likely to see more often with El Nino effects.

If what we are saying is that we wish to support landcare for farmers—there seems to be a growing opinion that that is what we want to do—then to assume that they are all rich farmers who can afford to wait until there is a better year is perhaps unfortunate. All we are trying to do is say that it is fair to start thinking about whether or not the expense incurred in a year in de-acidifying the soil, in

any landcare, should be able to be received back in that year. Otherwise, we are requiring that farmers wait for a good year before they can claim that amount of money back from their tax. That will be extremely difficult and will actually be a disincentive for farmers who are strapped for cash to incur these expenses in tough years when they are not getting a great deal of taxable income.

You are not creating a different amount of accountability. We are saying that, instead of them holding back their receipts and waiting for two or three years to then try to claim back the tax, it is fair, if you have undertaken a landcare expense in a certain year, to be able to claim it back in that year and continue. Some farmers may be able to drought-proof their farms by doing it that way and actually build up the quality of their soil, land and water resources so that we can actually work for a better agricultural system. That is the intent here. If people are able to claim for tax anyway, then the same amount of accountability—and, in fact, virtually the same amount of paper—is involved as before.

Senator PARER (Queensland—Minister for Resources and Energy) (6.27 p.m.)—I do not want to carry on this debate—I want to get the third piece of legislation through in three weeks—but I will respond briefly. You are talking about a rebate at the end of the year. We are saying that when a farmer buys lime to de-acidify his property he or she gets the reduction in cost when they buy the lime, not at the end of the year. In more difficult times, it is better for them to get that benefit then than to wait for 12 months, or whatever the period it is that they wait for their taxation returns.

Senator MARGETTS (Western Australia) (6.28 p.m.)—I thank the minister for that. The problem is that that will be a portion of the cost of the limestone, obviously, that they get a benefit from. The problem we have had with that, for which we are prepared to agree with Labor, is that you have an accounting nightmare from the quarrying point of view. You have already stated tonight that clearing overburden will be considered to be de-acidification of the soil work.

Whatever the quarries do will be deductible as landcare. I find it quite extraordinary that you have already expanded it. I am sure there are quarriers rubbing their hands together with glee because you have said that if they want to clear the land, if they want to get rid of their overburden—whatever they want to do—even if it is not quarrying for limestone to sell to farmers, you are going to give them a rebate. You have said that.

Senator Parer—No.

Senator MARGETTS—Perhaps the minister could clarify it because he said that a little while ago.

Senator PARER (Queensland—Minister for Resources and Energy) (6.29 p.m.)—What I am saying is that in a quarrying operation, which is very similar to a mining operation, you can get some outcrops where you do not have to take one metre or any sort of overburden off. It is very rare, I might say, in the ones I have seen. But you get varying levels of overburden to be taken off in the mining or quarrying process. Naturally, the lesser the amount of overburden—the strip ratio, as they call it—the lower the cost of your operation.

We have a competitive market out there, but this is certainly a cost of quarrying. There is an easy way to have a pro rata apportionment of that, but it is not a matter of clearing land or doing anything like that at all. It is simply part of the quarrying operation for a particular material for which there is a diesel fuel rebate. It does not apply to that. It is easy to work out. It happens all the time.

Senator SCHACHT (South Australia) (6.30 p.m.)—Let us get this clear. I can understand it when the actual limestone has been dug out of the ground for the agricultural acidification. When a farmer comes in and buys off the heap, he buys so many tonnes and they work out how many litres of diesel fuel were used to actually quarry it out of the ground, put it on the heap, and load it onto the truck before he drives off. When he drives off, the docket is left saying he took 10 tonnes, or whatever, of limestone for agricultural purposes, which is allowed under your amendment. Is that then proportioned?

On that docket it says that so many litres of diesel were used to extract that number of

tonnes that went away in the farmer's truck, whereas another truck took limestone somewhere else for use in rebuilding a road. The operator of the quarry will have to declare, when they sell it to the farmer who declares it for the acidification work on his farm, that that percentage of tonnes was taken out of the stockpile and is claimable against the operating costs on a monthly basis. Is that how it is going to operate?

Senator PARER (Queensland—Minister for Resources and Energy) (6.30 p.m.)—Let me explain in simple mathematical terms. If X amount of diesel fuel is used in the quarrying operation of a limestone pit, and 10 per cent of that goes to agricultural purposes, I would imagine—and I will seek advice on this—that that means 10 per cent of the diesel used would be subject to the diesel fuel rebate.

Senator SCHACHT (South Australia) (6.31 p.m.)—Is that calculation done on an annual basis, on a monthly basis or on a quarterly basis?

Senator Parer—Each time they claim.

Senator SCHACHT—Each time the quarry claims. But they would have to show at the same time that when they put the claim in—they may choose to put it in for the month of February—a percentage of their turnover of sales went to people who declared, and they signed the form, for agricultural acidification work. Just say that came to 15 per cent. Suppose, in that month, the diesel used in this quarry came to \$100,000. Fifteen per cent of that is \$15,000. That would be their claim for the diesel fuel rebate. If 15 per cent of the total sales of limestone went to agricultural purposes, they would claim 15 per cent of the diesel used in that month if 15 per cent of the limestone sales went to that area.

Senator Parer—I now have this clarified. It is only the diesel used in the extraction of limestone.

Senator SCHACHT—That is quite different. There is still an argument over the definition. I can understand the diesel running the machine that extracts the limestone out of the ground—that is, the front-end loader. It is put on a truck, and the truck takes diesel. The

truck takes it to the dump, puts it through a grinder and then puts it on a heap to be used and loaded up when someone comes to buy it. I can understand that. What if on that site there is a diesel generator that supplies the power for the lighting, because it is a 24-hour operation, around the whole of the site or the diesel that is used for the bulldozer that scrapes the dirt off the top, the overburden? Is the 15 per cent, if it is the total sales for the month, of all of that expense claimable under diesel fuel rebate?

Senator Parer—The answer is that anything to do with the particular mining operation, when it specifically is the mining operation, including the generator that might have to generate power in a particular mine, will be apportioned in that way.

Senator Margetts—That is different from the last answer he gave, when he said it is only for the extraction of limestone.

Senator SCHACHT—But they are saying that the extraction of limestone—I have been through this before in my previous incarnation; and you will never get an absolute black or white answer on this, Minister—

Senator Parer—I was right the first time.

Senator SCHACHT—The thing is, there is still going to be a discretion left to the customs officer to say where the line is drawn on what is actually an extraction process. You can understand the diesel that operates the generator to run the conveyor belt being subject to the rebate because that is part of the extraction. You may be able to understand the diesel that is running the electric light into the office being subject to the rebate. But there may be some argument about the diesel that is used to scrape the dirt off and pull the trees away being subject to the rebate, because that might be done for some other purpose.

Minister, I think you know and I know that in the end there is always going to be a discretion and an argument between Customs and the applicant—such as the quarry operator—about what is actually eligible. The problem with this scheme, and this is a bipartisan problem, is that while you have it you cannot absolutely say in black and white

terms, 'This is out; this is in.' That is what these audit reports have been saying for a period of 13 years.

There is always going to be a discretion. I know that last year I was abused by some of the now government members who said that there was a claim agreed for this. In all those hundreds of thousands of claims, from time to time, human nature being what it is, an officer of Customs may agree to the claim in a mistaken way. That will occur all the time. I will bet anything you like that over a period of time there will be arguments about what is claimable on the extraction of limestone for agricultural acidification between the quarry operator and the customs department.

No matter how well we do this legislation—how well we speak about it and explain it—and no matter that we might put out 100 documents, there is always going to be someone at the edge pushing for a claim this way or that. That is the nature of this scheme and it has to be accepted that that will always be the case.

My main concern with this concession is that it may only be 500,000 tonnes out of 21 million tonnes, but once you give this concession for agricultural acidification, every other user of limestone will start the pressure. If they do not put it on the minister, they will go to the AAT and claim. If they get the right judge on the right day with the right hangover, he will find in their favour. The AAT has been like that ever since it existed. It always finds against the government. Senator Parer, as the minister, has that problem now, as I had it for three years. He will find that every other person who uses limestone will say, 'My foot's in the door because the government has granted it for agricultural acidification.'

We believe that, even under the tighter definitions that we put through the parliament under my bill last year, someone is going to queue up. If they do not get it in an AAT decision, they will put the pressure on the minister. They will lobby him and say, 'It's unfair that we are excluded.' When we have 20,500,000 tonnes of quarried limestone not eligible, I will bet two bob to anything that that lobby group is going to turn up in spades

to try to convince the minister, or Mr Prosser or the government or whoever the appropriate person is.

Is it is my main issue that, even though you might say that it is only 600,000, you are starting down a process which is going to bedevil you. That is your problem in government but that is where you are going. That is why, when I was minister, I was very cautious about this particular claim, even though it might have great individual merit. I just know that there is a clientele out there, namely in the accountancy firms of Australia, who live on putting out to industry, 'We know how to win a case in the AAT to extend the diesel fuel rebate. Give us 25 per cent if we are successful. If we're not, give us nothing.'

That is why all the golf clubs of New South Wales were rounded up to appeal and say that they were connected with agriculture. That is why we have CSR, Pioneer and Boral in court now with this claim for 96 million. It is because some smart accountant said to them, 'If I get away with this claim over sandmining'—I think it was—'we will get 96 million. You give us 25 per cent, the usual success fee.'

It is in the same way that some foolish AAT decision last year ruled that pumping water out of the ground in Western Australia, for any purpose, is the equivalent of mining. It is madness. Every time you open up a little chink in the door, you are going to be bedevilled with it. You will never, in black and white terms, rule out the fact that somewhere, someone can interpret these rules differently, no matter how clear you think they are, even using your second reading speech and your committee stage remarks.

Senator MARGETTS (Western Australia) (6.41 p.m.)—This is not actually clarifying things; I think it is beginning to show just how confusing it is. If a quarrying operation decided to do a lot of their other activities at a particular time, they could work out with their accounting firm to do all the extra activities on a month that they choose to produce only for agricultural purposes.

Senator Panizza—What a load of rubbish!

Senator MARGETTS—It is possible. It could be a month where they have low production or it could be a month or even a year when other orders for the production of lime are less. They could do all of their other activities in that time.

Senator Panizza—So what! It all evens out in 12 months.

Senator MARGETTS—Terrific. We are finding out that this is going to be a nightmare and that is the exact reason that I have moved my amendment. We will be watching, as I am sure Labor senators will be, to see whether, in the figures given at Senate estimates, this occurred. That is why, instead of allowing you to make this dreadful mistake, we are giving you an alternative which will help the farmers and will not create the same shemozzle.

Senator PARER (Queensland—Minister for Resources and Energy) (6.42 p.m.)—Just quickly, I think Senator Schacht answered his own question by saying that as a result of the changes made last year the definitions are now much clearer. I do not think he will dispute that.

Not so long ago a recently retired senior minister from the Labor Party took me aside and said, 'I want to tell you something'—I exclude Senator Cook from this because he is an old pro in this area—'while the sun gets up in the morning and goes down at night, the Labor Party will never understand mining.' With respect, I say to you that the definitions are now such that a quarrying operation for this sort of thing is a quarrying operation. One of the things Senator Schacht indicated was, if diesel was being used, not solely for a particular purpose—we did not like that; we disputed it—

Senator Schacht—You argued with me and said it was terrible.

Senator PARER—We did indeed. But, by doing that, if an operation went down that track, under the legislation as it now stands they would be totally excluded from the diesel fuel rebate. If it was used for a purpose that was not related to this particular purpose—the word 'principally' was changed to 'solely' by Senator Schacht—they would be

totally excluded from any diesel fuel rebate whatsoever.

Senator COOK (Western Australia) (6.44 p.m.)—Can I say, by way of a throwaway line, that I think it is shameful that Senator Parer should quote my colleague and friend Senator Walsh like that.

Senator Parer—You picked the wrong bloke.

Senator COOK—I won't press any further. The Greens have moved their amendments and what has ensued has been some fairly close questioning of the government about how it intends to operate this section. That has disclosed a distressing lack of specificity on some of the ways in which the scheme will be operated. I do share the concern of my colleague Senator Schacht that this puts the foot in the door for applications to the AAT on the grounds of trying to extend the definition.

I think it is recognised on all sides of the chamber in this parliament that there is a major industry in Australia of tax avoidance and tax minimisation. That industry will always be there and this sort of provision is meat and drink for them. It is income for them. It enables them to hunt the hills and valleys of corporate Australia with offers to take a spotter's fee in winning a case like this to extend the definition.

The whole purpose of this bill is to narrow the definition and prevent extensions that have been made by the AAT in the past which the government never intended. That is the whole purpose of this bill. I think the add-on clause does, as the questioning has disclosed, reveal a worrying lack of specificity about how it would be applied.

The other point is that there has not been any comment, perhaps that is understandable, about what happens in the event of a quarry claiming the diesel fuel rebate, selling it to a farmer and then that farmer, on selling it, not using it for soil acidification.

Senator Panizza—What else would they use it for?

Senator COOK—They might be selling it to someone else for a profit and simply

laundering it through them on the basis of sharing the cut with the quarry.

Senator Panizza—You can only use it for that purpose.

Senator COOK—Let me go back to my remark about an active industry being out there to find ways around regulation. Whenever a new regulation is proclaimed, people lick their lips and say, 'Here is the challenge. How do we get around it?' I am not saying that will happen. But I would think that a prudent government ought to be aware of the possibility and ought to cut that possibility off at the pass. That is the first point.

The second point in respect of the amendments is that I have engaged in some questioning, and the government has given me what it regards as the appropriate answer, on the amount of resources and staffing that the Customs Service will have in this sector. The answer is: wait and see. While I understand that in the robust cut and thrust of parliamentary debate, we are now dealing with a specific case. We are not dealing at the level of generality; we are dealing with specific cases.

We, in the opposition, harbour a justifiable concern that the government has imposed funding cuts on Customs without studying how the service can meet those funding cuts and remain efficient. Rather, it has imposed the cuts and told the service to become efficient within that cap. It might be that the government is right—the service can become efficient within that cap. But it might also be that the government is wrong and it cannot. The cloudy nature of some of the answers about the number of mines, the types of mines and the application here is a matter of concern as well for us in the opposition.

In my speech on the second reading, I said that I have severe reservations about the Greens' amendments. I set out two of them. One was the constitutionality of it, and that is a matter to which Senator Margetts addressed her remarks when she followed me in the debate on the second reading and raised new material, at least for my consideration. The other one was the drafting of some of the clauses that the Greens had put forward. In the normal course they would be substantial

reasons why the opposition would vote against the Greens' amendments.

But in view of the answers from the government, the opposition will vote for the Greens' amendments on the basis that we would understand that that would mean the bill would go to the House. The government could then tighten up the bill in the House by coming to grips with some of the issues raised by honourable senators in this debate, which are matters of reasonable seriousness. If the government then wanted to return the bill in better order to the Senate, we could then deal with it.

Progress reported.

DOCUMENTS

The DEPUTY PRESIDENT—Order! It being 6.50 p.m., we turn to the consideration of government documents tabled earlier this day.

Advance to the Minister for Finance— November 1995

Supporting Applications of Issues

Senator MICHAEL BAUME (New South Wales) (6.50 p.m.)—I move:

That the Senate take note of the documents.

On the *Notice Paper* there are many months of these advances to the Minister for Finance. I wish to speak to quite a few of them. I want to draw the attention of the chamber first of all to this one for November and the supporting documents. In it it is revealed that, under the previous government, there is a request for \$38,730 to be paid for urgent and unforeseen expenditure relating to compensation and legal expenses for the Department of Foreign Affairs and Trade under the Australian Secret Intelligence Service.

The explanation is that on Friday, 31 April 1995 ASIS took out a series of injunctions against the *Sydney Morning Herald* and radio station 2UE. The injunctions were proceeded with but the government is liable for some costs. The ASIS component of the final cost is currently \$38,730 and these accounts are currently in hand.

What interests me is we have revealed here what the ASIS component of the final cost is

but we do not know what the final cost overall is. Perhaps that is something the *Sydney Morning Herald* or radio station 2UE might wish to pursue. After all, they were the people pursued in this matter and these accounts are in hand.

Whether or not it was wise to spend that money is a matter for the previous government. It is mentioned here that an unrelated compensation and legal payment of \$78,504 has already been paid from AMF as a final charge, without revealing what that is.

In the November application for funds from the advance to the Minister for Finance another matter that struck me is that involving funds being urgently sought for an act of grace payment to the honourable Brian Howe, MP for reimbursement of legal expenses incurred in relation to defamation action by Mrs Christine Gallus, MP. The explanation is that during a radio interview on 10 March 1995, Mr Brian Howe, MP, who was Acting Prime Minister at the time, made an assertion in regard to Mrs Christine Gallus—the member for Hindmarsh and, at that time, the shadow Minister for Aboriginal and Torres Strait Islander Affairs—which she considered defamatory.

Mrs Gallus subsequently initiated legal action against Mr Howe seeking retraction of the statement and other undertakings. Mr Howe elected to engage the services of a private solicitor for his defence of the claim against him, and the claim has now been settled to the satisfaction of all parties. Mr Howe sought, and received, approval from the Minister for Finance for an act of grace payment of \$1,199.50 to reimburse him for the cost of legal services provided to him.

I am interested in the way the previous government was very keen to pay for the legal services provided to their ministers who were involved in legal actions. In this case, the minister was on the receiving end of a defamation claim. I remind the Senate that the former Prime Minister, Mr Keating, has instituted legal proceedings against me which have so far cost me a lot more than \$1,199.50. It would be interesting to see what the Labor Party's attitude would be if I were

to request reimbursement, because at the time I was carrying out my parliamentary duties.

Another matter I would like to raise briefly relates to the \$8,462,121 payment which was unforeseen because the State Electricity Commission of Victoria lodged a claim against the Snowy Mountains Engineering Corporation and the Murray-Darling Rural Water Commission following an accident at the Dartmouth Dam Power Station in May 1990. The claim was that SMEC designed major parts of the dam and the power station project, including components alleged to have caused the damage. Apparently the latest advice from the Attorney-General's Department is to accept the settlement proposed in mediation, which involves a Commonwealth contribution of \$8.5 million.

This raises interesting questions about to what extent corporations like the Snowy Mountains Engineering Corporation do have a contingent liability—in other words, the Commonwealth has a contingent liability to provide funds to them in this situation—and whether they should come before Senate estimates committees. You never know when this kind of claim is going to be made. Last year we had the situation where Telstra said that it should not come before the committee because it was not in receipt of any funding.

Question resolved in the affirmative.

**Advance to the Minister for Finance—
December 1995**

Supporting Applications of Issues

Senator MICHAEL BAUME (New South Wales) (6.57 p.m.)—I move:

That the Senate take note of the documents.

Another interesting situation emerging under the previous government relates to an amount of \$1 million being made as a settlement because of a delay in completing a contract. What concerns me is that this relates to about one-third of the total cost of the project. The explanation is that in 1990 AusAID, on behalf of the Commonwealth, awarded McConnell Dowell Constructors (Aust) Pty Ltd a contract valued at \$3 million. The contract was for land reclamation and site works in readiness for the construction of a cannery and fish pro-

cessing centre at Levuka in Fiji. Actual completion of the works was delayed for four months and, as a consequence, additional costs were incurred by the Commonwealth for extended project supervision. This resulted in liquidated damages being imposed on MCD—the contractor—in accordance with the contract. However, expert advice has apparently indicated that a potential Commonwealth liability did exist.

An attempt was held to mediate the dispute at a meeting between the Commonwealth and MCD on 20 September 1995; however, it was unsuccessful. A further meeting was held on 13 December at which time MCD made a final offer of settlement of \$1 million. It seems to me that this is a pretty large kind of delay. One would think that when money like this is being paid out, some explanation of how it happened might be appropriate.

Another matter in the December 1995 Advance to the Minister for Finance demonstrates the problems that emerge from the previous government's policy of taking the market value of pensioners' investments as the basis on which one should establish their entitlement to pensions. They had to make an ex gratia payment of \$1.6 million because of the change in status of investments under control of the Estate Mortgage group. Another group took over the six funds of the Estate Mortgage group after it failed and consolidated them into one trust, MIT.

The department has had to regard the increase in value of MIT since that date as an increase which damages the capacity of pensioners to receive a full pension, despite the fact that their investment is still only a fraction of what it originally was before the restructuring. I draw that to the Senate's attention because it seems ludicrous that to cope with this quite unfair, unreasonable position, we have to have an ex gratia payment to cover a system which does not work at all well. On top of that, in Veterans' Affairs we need another \$296,500 to cope with it.

One last item for that month is another \$4,719,000,600 for computer equipment. During 1993-94 it was decided to accelerate the network replacement program in the

Department of Social Security and funds were switched around. The negotiated resource agreement reflected the necessary transfers but delays in gaining final endorsement and agreement meant that the transfer associated with network replacement was overlooked by both the Department of Finance and the Department of Social Security in the preparation of the budget bills.

Perhaps it is a sign that things could be run a little bit better if you are making a \$4.7 million mistake like that. Although, that is nothing like the size of the \$9.27 million mistake relating to the failure of the Department of Social Security to organise its Italian benefits system.

Between May 1994 and September 1995 there was no legislative authority for payment of pensions under the agreement with Italy. This advance is to fix up what is an extraordinary lapse of efficiency in the administration of that system. Let's face it: this is \$9.27 million in unconstitutional payments made between the date of the repeal of the schedule and the date of the enactment of the reviving amendments. (*Time expired*)

Question resolved in the affirmative.

**Advance to the Minister for Finance—
January 1996**

Supporting Applications of Issues

Senator MICHAEL BAUME (New South Wales) (7.02 p.m.)—I move:

That the Senate take note of the documents.

This matter relates to the Department of the Prime Minister and Cabinet and involves an urgent and unforeseen request for \$110,360. The explanation, which might annoy you, Senator Abetz—it will certainly get up quite a few noses—is that in 1994-95, \$208,000 was spent against the constitutional matters community information activities appropriation item on public information activities relating to what is described in the documents as constitutional matters.

The only additional related expenditure planned for 1995-96 was for the printing and distribution of the former Prime Minister's speech, 'An Australian Republic—the Way Forward', delivered on 7 June 1995 and an

associated brochure outlining the government's proposal. The brochure was to be translated into major community languages. The expenditure was to be met from within the departmental running costs appropriation. But this was a Labor Party stunt and should have been paid for by the Labor Party in the first place.

On 3 November 1995 the former Prime Minister announced the release of an Australian republic information kit to facilitate understanding and informed discussion of the government's proposal for an Australian republic. This was a political proposal which generated political opposition as well as opposition to the manner in which it was being done. The kit contains the transcript of the former Prime Minister's republic speech, the brochure mentioned, as well as a booklet of questions and answers and a copy of the constitution.

It was determined that while funds were available in the departmental running costs to meet these costs, it was more appropriate for the costs associated with the production and distribution of the information kit to be charged to an other service item. To fund this item the department required \$110,360 of taxpayers' money, which was not budgeted for and, quite frankly, should not have been budgeted for. The application said:

The Government is committed to encouraging the current community debate of constitutional issues. Deferral of expenditure into 1996-97 will disjoint the debate on the government's proposal for an Australian head of state and create uncertainty and ill-informed speculation about the government's proposal.

It should say 'the Labor Party's political proposal'. To have taxpayers' money used in this way is quite improper. The one good thing is that this sort of funding is now clearly evident in this kind of advance to the Minister for Finance and we have the opportunity to express our views on it.

Senator ABETZ (Tasmania) (7.05 p.m.)—Madam Acting Deputy President, this being the first time I have got to my feet while you are in the chair, allow me to congratulate you, wish you all the best, and assure you of my cooperation. The reason I rise this evening is to remind the people of Australia yet again of

the outrageous expenditures of the previous government for purely political purposes. It is as simple, as cut and dried, as that. They have spent \$110,000 of our money—taxpayers' money—for their party political campaign.

Senator Michael Baume—That's all we know about.

Senator ABETZ—Yes. They tell us that it was to ensure that there was no ill-informed debate about the republican issue and the need for an Australian head of state. The former Governor-General, a former Leader of the Labor Party, debunked that issue when he said, 'I am Australian born, I am an Australian and I am the head of state in Australia. That is no longer an argument.'

We now have the Australian Labor Party saying that the former Governor-General Bill Hayden was one of these ill-informed people. Even on their own side of politics, in the Labor Party, they could not get their argument together and they have embarrassed themselves. At the end of the day, the people of Australia have had to see \$110,000 spent on this purely political campaign. The campaign did not even convince their former Labor Party leader, Bill Hayden, the then Governor-General. What a pathetic campaign they embarked upon; what a waste of money.

I want to congratulate Senator Baume on the contribution he has made this evening to the discussion on all these advances to the Minister for Finance to allocate out, because it highlights all these little bits of money. A little bit of money was allocated for the then Acting Prime Minister Brian Howe to defend a defamation proceeding—this to perpetuate one of the political campaigns, which, I am glad to say, was a dismal failure. I think the people of Australia voted overwhelmingly that they were not interested in the Paul Keating proposal or the Labor proposal for a republic but instead they voted for a people's convention as was suitably announced by the now Prime Minister, John Howard.

At the end of the day, the constitution is not a document which the government of the day can or should play with. It is the people's constitution. They voted on the constitution; they vote on each and every occasion that it is amended. In the event that we amend it in

the future, once again it is the people who have the say. But here we had a cynical exercise of the Australian Labor Party spending \$110,000 to try to pursue their party political agenda.

With \$110,000 here and \$1,000 there for former Deputy Prime Minister Howe, money was being spent as though it was going out of fashion. That is why we on this side of the House have now been charged with the huge responsibility to somehow overcome the \$8 billion Beazley legacy that we have been left with. Really, that is the challenge facing the Australian parliament now—to overcome this extravagant spending that Labor engaged in, especially during the death throes of its regime.

Question resolved in the affirmative.

Advance to the Minister for Finance— February 1996

Supporting Applications of Issues

Senator MICHAEL BAUME (New South Wales) (7.10 p.m.)—I move:

That the Senate take note of the documents.

I draw the Senate's attention to the requirement, unforeseen in the budget, of \$410,750 for the National Crime Authority for compensation of legal expenses. The explanation is this:

Funds are required from AMF for the settlement of legal costs arising from a committal hearing where charges against the defendants were dismissed and costs awarded in favour of the defendants. The charges arose from a National Crime Authority investigation.

That totalled \$410,000, as I said. That was for February. Curiously, the January advance required \$290,000 for the same general purpose, compensation and legal expenses, saying exactly the same thing:

Funds from AMF are required for the settlement of legal costs arising from a committal hearing where charges against the defendants were dismissed and costs awarded in favour of the defendants. The charges arose from a National Crime Authority investigation.

I do not know whether these are two failed ones, in which case I do not whether the score is 2-0 against the National Crime Authority, or whether it is the same one with

a total cost of something like \$700,000. It would seem to me there may be some justification in the National Crime Authority declaring more clearly whether in fact it is just having a bad run or whether these are the same expenses and what the problem is.

Senator O'CHEE (Queensland) (7.12 p.m.)—I note that the Advance to the Minister for Finance also includes an amount of \$294,159 which was to provide interim hardship business assistance to forest industry businesses which had incurred additional costs and financial hardships as a direct result of the previous government's 1995 decisions not to release certain coupes for woodchip exports. Again, we have another indication of how the previous Labor government made policy on the run.

Senator Abetz—Hear, hear!

Senator O'CHEE—What they did in this case—and Senator Abetz, who has a very great interest in the timber industry, will know this—was to bring down a budget, but they did not put in all the detail of the financial consequences of their political decisions. Another argument arises out of this, and it is the loss to the revenue from these businesses not being able to operate. Instead of going out there and employing workers, creating opportunities for jobs, creating a profit and contributing to this nation's revenues, these businesses incurred a loss—a loss that required the government to make an urgent payment to them.

Senator Abetz—But it took 12 months to get to the operators.

Senator O'CHEE—It took 12 months, as Senator Abetz rightly said. What we had under the previous government was a situation where people would be going about their business, lawfully, and all of a sudden the government would say, 'Oh, look, we've decided we're not going to allow woodchip exports from these coupes.'—not for any good reason, not for any good and sensible economic reason, only for political reasons. All of a sudden those people found their businesses and their jobs in jeopardy.

This country deserves better government than that. The people of Australia recognised

at the last election that this country deserves better government than that, and that is why the people who used to inhabit these benches are no longer here. Senator Baume tonight has outlined some of the outrageous spending that we have seen from the previous government, and all of this was withheld from the budget.

If there had been some sort of proper planning process that had been indulged in by those opposite when they were in power, we would have seen these expenditure items come up in the budget. One of the reasons why there is an \$8 billion black hole in the Commonwealth's finances is that this sort of behaviour was hidden from the Australian people. It is decision making on the run. There is no proper accountability. One of the most important things that this parliament can do is scrutinise the expenditure of the government through the estimates process.

Of course, they knew that this was going to be the consequence of their decisions, but they did not want this put in the budget. They did not want this out there in the public. They did not want this to come out until after the election was over, as though by running away from it they were going to solve the problem. I think, in political terms, those opposite can run, but they are only going to die tired. What we have seen is enormous running, ducking, weaving, diving and dodging, but the truth is starting to come home. The former Labor government cost Australians jobs; it cost Australia's taxpayers revenue; and it incurred massive costs by subsidising businesses that should have been able to be out there producing for themselves. I think it is a great tragedy that Australian after Australian has suffered in this fashion at the hands of this Labor government.

Senator ABETZ (Tasmania) (7.16 p.m.)—I wish to make a very brief contribution and support the comments of Senator O'Chee. The reality with a forestry payment is that, at first—in estimates and elsewhere in representations I was making on behalf of the industry—the Labor Party assessed it at being worth about \$30,000. The total payment came out at about 10 times that: \$294,000. That is nearly 10 times the initial estimate.

Labor had no idea of the sort of cost they were incurring upon the small businesses in regional Australia. Then they wonder why the people in regional Australia deserted them in such large numbers. They still do not apologise. They are still proud of their record. It is interesting that not a single Labor Party member has been willing to get up to defend any of these advances so far this evening.

Question resolved in the affirmative.

Advance to the Minister for Finance— March 1996

Supporting Applications of Issues

Senator MICHAEL BAUME (New South Wales) (7.18 p.m.)—I move:

That the Senate take note of the documents.

There is in the March allocation—in other words, another set of moneys that were not budgeted for—a very substantial amount of \$3,111,441 required by the Australian Taxation Office for compensation and legal expenses. The reason this money has to be provided urgently is this:

If the ATO is unable to immediately obtain these funds, it could be held in contempt of court, for the non-payment of court orders. Further to this there are several branch offices who are unable to undertake further litigation or debt collection action, thus reducing the ATO's ability to collect revenue in the 1995-96 financial year.

An amount of \$3,111,441 is therefore urgently required from the Advance.

What intrigues me is that it could be held in contempt of court for the non-payment of court orders. I do not know whether this means there should be some more thorough supervision of the actions that the Taxation Office is taking in matters where it may well not be properly prepared, but it does seem extraordinary that there should be this size of problem under compensation and legal expenses when, in fact, the total expenditure appropriated was about \$13 million. That is a very big proportionate mistake. Approximately \$3.1 million on top of \$13.5 million is about a quarter—a 25 per cent failure rate basically. I would hope that the tax office goes back to perhaps having a slightly better percentage of success. On the other hand, it

does give us the opportunity to raise this kind of matter in the chamber.

Debate interrupted.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Colston)—Order! It being 7.20 p.m., I propose the question:

That the Senate do now adjourn.

Student Unions

Senator ABETZ (Tasmania) (7.20 p.m.)—I think everybody in the Australian community is now aware of the economic vandalism brought about by the previous 13 years of Labor and, as a result, the very poor state of our nation's economy. The deliberate hiding by the former Minister for Finance of the \$8 billion budget deficit, with which we on this side now have to deal, has made our task very difficult.

In that context, people like me coming from the state of Tasmania are most concerned as to the sorts of cutbacks that are required to redress the extravagance and mismanagement of the previous Labor regime. Clearly, the Labor Party is the guilty party—the party responsible for the cuts that the Liberal Party now has to inflict upon the Australian people to make up for that extravagance. So people like me seek to look after the interests of our state and, indeed, people within our own communities lobby and do things to try to ensure that the cuts to our home state are limited. Of course, that is all part and parcel of the democratic process, and I have no objection to it.

What I do take great exception to is what occurred at my electoral office today courtesy of the student union, the National Union of Students. These people—people such as Anthony Llewellyn, who earns in excess of \$20,000 from compulsorily acquired student union fees, as I understand it—came into my office unannounced, whilst I was in this parliament where I ought be asking questions—in fact, I asked two questions during question time today—with his rent-a-crowd of about 200 people, and did not leave my office.

Police had to be called. An inspector of police had to negotiate with this rabble to get them out of my office. They through apples and eggs at my office from outside. They demanded to see me, yet they did not have the courtesy of even ringing my office to see whether I would want to talk to them or would be available to talk to them. It was a deliberate set-up. It was a deliberate ploy to try to get some very cheap publicity.

When the people came into my office, my secretary had the presence of mind to ask them whether they wanted a broom to clean up the mess they had made outside. At one stage, these people were banging so heavily on the glass wall on one side of my office that my staff member believed that the glass wall was about to cave in.

If Anthony Llewellyn, well-known Labor Party hack in Tasmania, wants to make his point for and on behalf of the University of Tasmania, his behaviour today will have turned off thousands of Tasmanians from supporting the University of Tasmania. If he and his Labor Party cohorts want to be treated as mature Australians, let them behave as mature Australians. If they want to talk to me and lobby me, by all means I am available. To show the extent of my availability, I will be meeting with the vice-chancellor of the university at 5 o'clock tomorrow. I spent six years at the University of Tasmania obtaining an arts degree and then a law degree. I have a continued interest in the university.

The only reason, I suggest, that Mr Llewellyn engaged in this despicable behaviour today, which required the attendance of police officers, was that I humiliated him at a student union meeting that he himself had called some weeks previously. It was the day of national action by the National Union of Students. He thought it would look a bit unfair if somebody was not there to defend the federal government's stand in relation to student unions. So I shared the platform with a very capable Liberal student and we argued why we believed in voluntary student unionism.

To go back, this day of action was called by the student union and students were requested to wear a flannelette shirt. The vast

majority of students do that anyway but on this particular day you could hardly spot a flannelette shirt at the University of Tasmania. The few that you could spot were hovering around a little barbecue where the student union was handing out free hamburgers to anybody wearing a flannelette shirt. I spoke to some of those people in the line and was told, 'I don't support the student union, but for the sake of a free lunch I was prepared to wear my flannelette shirt.'

When I had the opportunity to take the microphone, I was able to point out to young Anthony Llewellyn the absolute lack of support that he has within the student union movement that he claims to represent and from whom he receives a \$20,000 a year salary. Today he led this despicable march upon my office—behaviour which I hope and trust the vice-chancellor of the University of Tasmania will dissociate himself from.

I had this scribbled note faxed up to my Canberra office and it is signed by some officers of the National Union of Students. Guess what these yuppies had under their signatures—their mobile phone numbers. True representatives of the student population running around with their mobile phones funded by the compulsory student union fees! And they say they are so desperate to represent students.

Today Anthony Llewellyn, Chris Burrell and somebody who has not learnt to write but who claims to be the NUS president and whose signature I cannot read, did a great disservice to the students they claim to represent. They knew full well the federal parliament was sitting yet they demanded my presence at my electoral office today. I know what would have happened had I been down there: they would have been complaining that I was down there and not fighting for them in the federal parliament. That is the sort of political activity these people engage in.

As I said, they did not have the courtesy to advise me that they wanted to talk to me and call upon me to put their case. That shows bad manners and bad taste. That is why people with those qualities of bad taste and bad manners are such welcome members of the Australian Labor Party. If Anthony

Llewellyn and his friends want to represent the students of this country in this particular way and fight the funding cuts, they ought to have the guts to say, 'Senator Abetz, we know that cuts have to be made because of the economic vandalism brought by the previous Labor government.' But of course the Anthony Llewellyns of this world whose daddies are in the state parliament will not make those sorts of comments.

Anthony Llewellyn has lived in a fairly privileged world, and good luck to him. He is the student union president for the time being. If he wants to make a name for himself, may I suggest to him quite honestly and sincerely that he might like to consider conducting himself in the way that his father does. I have to say that although his father is on the opposite side of politics, and I do not have much time for his politics, I am sure his father would not have behaved in such a despicable way. I suggest to Anthony that he might like to talk to his father as to the way to conduct himself.

If the University of Tasmania and the people of Tasmania who support the university want the support of the average Tasmanian, they will not get it by displays of apple throwing, egg throwing, nearly breaking windows, sitting in offices trying to see people when they have not made appointments and running around with mobile phones acting like little yuppies. That will not convince Mr Average Worker that universities are worthy of funding. In fact it is that behaviour, if anything, which will convince the average Australian that these universities do not deserve funding and, what is more, that the universities ought to make student unionism voluntary so that the millions gathered in compulsory student union fees can be used for proper university purposes.

Industrial Relations: Workplace Flexibility

Senator JACINTA COLLINS (Victoria) (7.30 p.m.)—Before I move on to the subject that I wish to raise tonight, I hope Senator Abetz will not accuse me of bad taste because of my Labor Party membership. The issue that I wish to cover this evening concerns illusions regarding workplace flexibility.

Perhaps that is another area where the government needs to answer with respect to the myths and illusions it seems to be generating at the moment.

The International Labour Organisation grappled with the issue of workplace flexibility and some of the illusions about the benefits that it can provide in some areas when framing its convention on part-time work in 1995. It resolved some of these issues by also referring to protections necessary for workers. This is not the case with the government's proposed industrial relations reforms, particularly with respect to part-time work.

Today's edition of the *Australian Financial Review* acknowledges both the pros and the cons of workplace flexibility. In its headline, the *Financial Review* describes the government's latest clarification on its IR reforms with respect to part-time work as 'Open slather on part-time employment'. The editorial states:

The proposal to give employers greater freedom to use casual and part-time workers . . . has the potential to deliver gains to employers and employees alike. Unfortunately, it also has the potential to cause some painful side-effects.

On the positive side of the equation the editorial highlights that employers will gain much greater staffing flexibility. Employees, it says, should gain from increases in the availability of jobs whose hours of work can be juggled to fit with family needs. The proposal should boost the number of positions available to juniors. It goes on:

There is also the possibility that employers will respond to the changes, not just by making more ad hoc use of part-time workers but by treating this group as a vital element of the workforce which needs to be motivated through the establishment of proper career paths.

The editorial continues:

. . . no one should pretend that these potential gains will flow automatically from the legislative change, nor that there is no downside to this new approach.

Risks highlighted by the *Financial Review* include employers moving the bulk of their employment to part-time work to minimise cost, even if this maximises employees' inconvenience. Another risk that I would highlight is that of further casualisation of the workforce, but in a way which will reduce

employer costs as they move casual employees over to de facto part-time positions.

One area in which I do not agree with the comments made in the *Financial Review* editorial today is its assessment that 'it is unlikely that many of Australia's major employers would behave in this negative way'. Enlightened self-interest would not, in my mind, prevail as suggested. Factors such as employers reputations, administrative costs and employee morale would not outweigh immediate bottom line considerations. I do not share the same optimism in Australia's business community's enlightened self-interest and other than immediate term focus.

My experience is in an industry where considerable flexibility already exists and workers have the most to risk but the least to benefit from the purported family friendly flexibilities. For example, many workers in the retail industry have over the last couple of years faced insurmountable problems in relation to the rostering of their working hours as the industry has grappled with the extension of trading hours. Common complaints come from workers to the effect that their employer expects them to work hours where they cannot get child care, where they cannot find other people to look after their children and they need to be at home with their family.

The *Financial Review* article was complemented by a picture of a McDonalds' employee. McDonalds is not renowned for its career paths. Neither are many retail companies, who often manipulate part-time and casual junior hours and rates of pay to cut costs at the expense of their reputations, staff morale, employees' family convenience and any career pathing.

None of these negative issues is addressed in the government's industrial relations reforms. The reforms are anti-woman and anti-family. In fact, they go so far, on current readings of the draft, as to allow outright discrimination between full-time and part-time employees. For instance, the changes they currently propose would not allow current provisions and awards which allow for a minimum number of hours for both full-time and part-time employees if they are working

at irregular times. For instance, if I have to work a Wednesday evening, I would hope that I would be able to get more than one hour's work, but if the changes that are proposed are put through, that is the situation that many retail workers will face.

The only flexibility evident in the government's proposals is employer flexibility. If the government was serious about workers and family responsibilities, it would adopt the one recommendation from the ILO recommendation on part-time work where Australia is behind. This recommendation concerns access for workers to part-time work when they do face family responsibilities. The recommendation suggests that member countries consider enabling provisions. Yet, in any of the recommendations that we have seen on industrial relations reforms, there is no additional enabling provisions to allow employees any further rights with respect to accessing part-time employment. Rather, we will be moving away from established international standards under the current proposals.

In removing protections in their minimum standards, such as the rostering of hours and changes to staff working rosters, this will leave many current and future part-time workers much worse off with respect to their family responsibilities, as their hours can be changed at short notice. The Howard government has made much noise about its commitment to women and families but at this stage the proposed industrial relations reforms demonstrate how shallow that commitment really is.

Budget Figures

Senator WATSON (Tasmania) (7.38 p.m.)—For a number of years there have been serious criticisms of the methods used to fiddle the budget figures. Regrettably, these practices became somewhat standard under the previous Labor government. The true financial position of the federal government was consistently misrepresented in the papers presented to the parliament.

This situation came to a head during the recent election campaign when the then Minister for Finance, the Leader of the Opposition (Mr Beazley), had every manner of

excuse for not being able to tell Australians the true financial position of the government. He said that he could not get the figures. Yet, within a matter of days of the election, our new Treasurer (Mr Costello) was meeting with Treasury officials and studying the so-called Beazley black hole in the budget.

Consequently, it is extremely good news for Australians, particularly taxpayers, that my colleague the new Assistant Treasurer (Senator Short) has foreshadowed that he will introduce major changes to the government's presentation of its financial accounts. These major changes include a commitment to use the receipts from all future asset sales for capital payments, and it would also include the repayment of debt.

In this context, it is indeed heartening to know that some of the proceeds of the proposed sale of one-third of Telstra will be used to invest capital in a trust fund for environmental programs. The rest of the proceeds will be used to repay debt.

Allow me a few moments of the Senate's time to examine the kinds of devices that have been used over the years by the previous government to hide Australia's true financial position. I refer to the writings of Associate Professor Robinson of the School of Economics and Finance at the Queensland University of Technology. His comments can be found in the recent edition of the *Australian Accountant* magazine.

Devices arising from his investigations include bringing forward tax payments to artificially reduce the deficit, for example, the HECS payments, and underestimating the time that major asset sales will take—this allows revenue from the sale of an asset to appear in several years' accounts.

One device includes taking liberties with receipts from public enterprises by classifying them as dividends or debt repayments, depending on what suits the bottom line, as in the case of Telstra and Australia Post. Another device is using debt repayments by the states to artificially reduce the deficit. As we know, this is a capital account not a revenue account. Finally, another device is pursuing privatisation when there is no convincing

efficiency rationale, solely to artificially reduce the deficit.

Of course, as all true accountants know, in producing revenue statements you must distinguish between capital receipts and revenue receipts, and when you make a profit for a particular year on a revenue account, you do not include capital items. But in the Australian budgetary context, there is an amalgam of these concepts which have confused and misrepresented the true nature of the indebtedness.

The Australian public have been deceived for too long about the true state of the financial affairs resulting from the policies of particularly the previous Labor government. It is reprehensible that a government practise such deliberate misrepresentation and, for example, still expect taxpayers to complete their tax returns truthfully.

I, therefore, take this opportunity to commend my colleague Senator Short, the new Assistant Treasurer under a Liberal Party government, for introducing the changes that he proposes. In adopting these procedures, the government will once again be setting high standards of honesty and integrity in financial management. Australians should be able to expect this. Senator Short's changes will certainly be for the better.

United Nations

Senator FOREMAN (South Australia) (7.43 p.m.)—At the end of last year, I had the great honour of attending the United Nations General Assembly in New York as a representative of the Australian parliament. Along with the honourable member for Fadden (Mr Jull), from the other chamber, I had a chance to see the excellent job that our UN diplomatic team does during the all important general assembly.

On a daily basis I would attend meetings, participate in forums, sit in the general assembly, observe the work of delegation members and staff and attend official functions and receptions. The 1995 general assembly was no ordinary session of the United Nations, as it was the 50th anniversary of the establishment of the UN. It was clearly an opportunity for the participants to look back over the half

century of work and to assess the role that the United Nations and its agencies have played since the end of the Second World War.

The three months of the 50th session of the general assembly gave me an opportunity to not only observe first hand the operations of the United Nations but also participate in the daily work of the Australian delegation. The time at the United Nations was, therefore, an important hands-on experience in the practical implementation of Australian foreign policy in the particularly unique environment of multilateral diplomacy.

At the outset, I must express my sincere appreciation to Ambassador Richard Butler and his fellow diplomats and supporting staff for their consistent cooperation and assistance. The role played by Ambassador Butler should not go unmentioned. He was instrumental in the organisation of the 50th anniversary celebrations. I was fortunate to sit in on the 50th anniversary organising meetings with the ambassador.

Richard Butler is also a greatly respected figure within the UN diplomatic community. It became very apparent during my time in New York that the Australian delegation was generally held in high professional regard, despite the great pressure often put upon the 30 or so diplomats and staff. The considerable professionalism of the Australian delegation could be observed in everything that was done—from the handling of difficult negotiations with other delegations on a major resolution to the simple but necessary task of ensuring that the Australian desk on the floor of the General Assembly was always monitoring debate.

As 1995 was the 50th anniversary of the foundation of the United Nations, it is understandable and, undoubtedly, desirable that much of the activity of the General Assembly was dominated by formal and informal discussion on how well the United Nations had performed its role since its establishment and how relevant it was to the contemporary world. The nuclear testing issue was one of the most important to come before the General Assembly. The resolution strongly deploring current testing and urging an end to all nuclear testing was passed with 85 votes in

favour, 18 against and 43 abstentions. It was disappointing to see the extent to which the French government would pressure nations to vote against or abstain in this vote.

The work done by the Australian delegation and the lobbying by the then Australian government did have a positive and long-lasting effect. I am under absolutely no doubt that our stand and role in the United Nations had a major impact on the attitudes of the nuclear powers. Thankfully, French nuclear testing in the Pacific is not the concern that it was 12 months ago. The visit by the Australian foreign minister at the time, the Hon. Gareth Evans, where he outlined proposals for changes to the operations and funding of the United Nations, was also of great interest to many delegates. Australia was clearly seen as having a vision of the United Nations and what it should do in the post-Cold War environment.

Another highlight for me was the visit to the United Nations by His Holiness Pope John Paul II. In his address to the General Assembly the pontiff spoke on world peace in five languages. Representatives of 172 countries addressed the United Nations General Assembly 50 general debate. Celebrating its 50th anniversary, the United Nations was acknowledged as an indispensable instrument of global cooperation towards peace and security, sustainable development and justice and dignity for all. To achieve these ends, however, speakers emphasised the need for further organisational reform and, with the political will and assistance of member states, implementation of recently negotiated strategies and programs for action.

The general debate of the 50th session of the United Nations General Assembly commenced on 25 September 1995. At its conclusion on Wednesday, 11 October, two heads of state, one vice-president, eight prime ministers, 19 deputy prime ministers, who also hold the foreign minister post, 126 foreign ministers and 16 chairpersons of delegations representing 172 of the 185 member states of the United Nations had addressed the General Assembly. There was also the special commemorative session from Sunday, 22 October. At its conclusion on

Tuesday, 24 October, 91 heads of state, eight vice-presidents, one crown prince, 37 prime ministers, 10 deputy prime ministers, 21 foreign ministers and nine delegation heads representing 177 of the 185 member states had spoken at the United Nations General Assembly. The former Governor-General represented Australia at this session.

The level of discussion and debate was of a very high standard. The international commitment to the United Nations is very strong and this is something that we as Australians should be very pleased about. The United Nations has always allowed Australia to play an important moderating role in international relations. It allows us to have a greater influence in world affairs than might otherwise be the case for a nation of our population and limited domestic economy.

I wish to extend my appreciation to the Senate for giving me this unique opportunity to participate in a most essential international forum. I have benefited enormously from the experience. I wish this year's representatives well.

Senate adjourned at 7.50 p.m.

DOCUMENTS

Tabling

The Assistant Treasurer (Senator Short) tabled the following government documents:

Aboriginal Land Rights (Northern Territory) Act—Reports for 1994-95—

Anindilyakwa Land Council.

Central Land Council.

Northern Land Council.

Tiwi Land Council.

Advance to the Minister for Finance—Statements and supporting applications of issues—

November 1995.

December 1995.

January 1996.

February 1996.

March 1996.

Employment, Education and Training Act—National Board of Employment, Education and Training—Report—Lifelong learning: key issues, January 1996.

Fisheries Management Act—Western Australian Fisheries Joint Authority—Report for 1994.

Higher education funding for the 1996-98 triennium—Report by the Minister for Employment, Education and Training.

The following documents were tabled by the Clerk:

Income Tax Assessment Act—Determination—RHQ Company—

Nos 6 and 7 of 1995.

No. 1 of 1996.

Native Title Act—Determination under section 202—Representative Aboriginal/Torres Strait Islander Body—No. 1: 1996.