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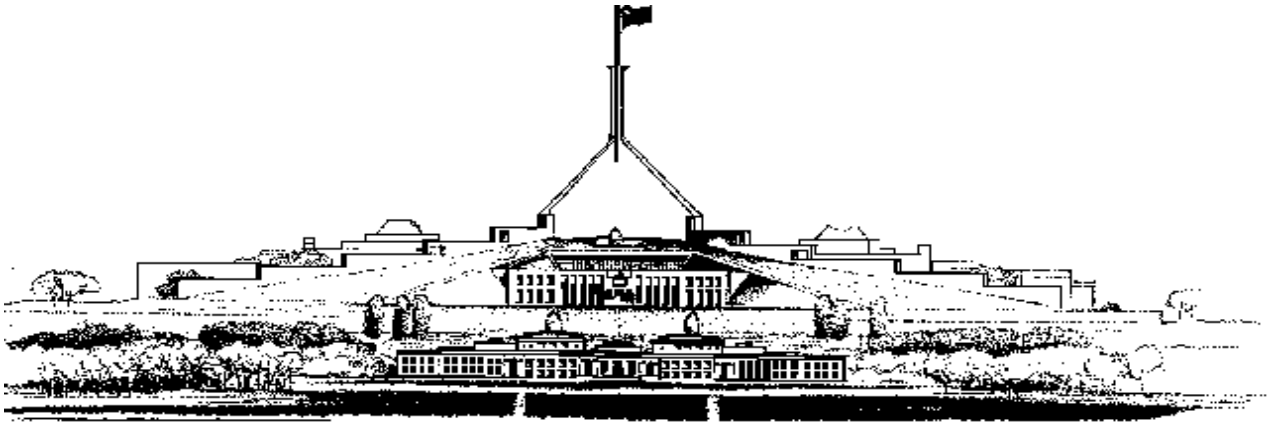

SENATE

Official Hansard

No. 4, 2001
MONDAY, 26 MARCH 2001

THIRTY-NINTH PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

BY AUTHORITY OF THE SENATE

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Monday, 26 March 2001

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

PIG INDUSTRY BILL 2000

Second Reading

Debate resumed from 8 March, on motion by **Senator Ian Campbell**:

That this bill be now read a second time.

Senator FORSHAW (New South Wales) (12.31 p.m.)—I rise to speak on the Pig Industry Bill 2000. This important piece of legislation continues a trend, in respect of a range of rural industries, of privatisation of statutory corporations, particularly research and development corporations. The Senate will recall that over the last couple of years we have dealt with legislation in the wheat industry, in the wool industry, in the red meat industry and, more recently, in the horticulture industry. This legislation is in a similar vein.

I mention those earlier bills because later on the opposition will be moving amendments that we believe will strengthen this legislation, particularly in the area of accountability and parliamentary scrutiny. Those are not new issues. The opposition have raised them on each and every occasion when similar legislation on other agricultural industries has come before the parliament. The opposition had hoped that, by now, the government—in particular, the Minister for Agriculture, Fisheries and Forestry—would have got the message and would not be relying on us to continually improve the legislation with respect to accountability and parliamentary scrutiny. Once again we will be doing that, and I look forward to the situation after November this year when we will be able to get things right from the outset.

The Pig Industry Bill 2000 provides for the establishment of a new industry owned company to replace the Australian Pork Corporation and the Pig Research and Development Corporation. This new company will be responsible for the activities of marketing, promotion, research and development. Up until now, those functions have been carried out by the Australian Pork Corporation and the Pig Research and Development Corporation. The new company will also have responsibility for strategic planning and policy development. Until now, those activities have been carried out by the Pork Council of Australia, which is the industry body that represents growers in the pork industry.

This new company will be a not-for-profit corporation established under the appropriate Corporations Law. Accordingly, it will take over all of the assets and the liabilities of the Australian Pork Corporation and the Pig Research and Development Corporation. The staff of those corporations will be transferred to the new company. All their entitlements will be fully protected and will transfer with them. That is a matter that we are particularly concerned about and is one that we have raised in earlier debates on other legislation. The new company will be established as a corporation. Accordingly, all of the statutory levy payers in the industry will be eligible to register as members and will be afforded full voting rights in the new company.

The new arrangements that will be established by virtue of this legislation are the result of lengthy negotiations and consultations with the industry. The opposition have been briefed on an ongoing basis by the industry and very recently by the government on the outcomes of those negotiations and consultations. We are aware that there is strong industry support for the new arrangements that will be established by virtue of this legislation and for the new company that will be formed. Indeed, I understand that the new company, known as Australian Pork Ltd, has already been established. It is intended by virtue of this legislation that it will be appointed as the industry services body.

The main thrust of the Pig Industry Bill 2000 is to bring those new arrangements into place and to provide a mechanism whereby the Minister for Agriculture, Fisheries and Forestry can declare the new company—that is, Australian Pork Ltd—as the industry services body. That terminology is important. It is the term that is used within the legislation whereby the minister declares a particular company—in this case APL—to carry

out all of those administrative functions and other functions such as promotion, marketing and research and development that were previously carried out by the statutory corporations.

Under the legislation the government will continue to collect levies, as it has done over many years. In turn, they will be expended by the new company for the purposes intended. The arrangements—as I think all honourable senators are aware—are that industry members, the growers, pay certain levies, the government acts as the collection body for those levies and passes them on to the company to be expended for the purposes outlined. Similarly, the additional contribution by way of matching contributions up to a defined figure will continue to be provided by government. That has been the case under previous arrangements and under the current arrangements, and that will continue into the future. I am advised that the amount of public funds that are contributed as matching contributions are of the order $3.6 million per year. It is not an insignificant amount.

Therefore, it is crucial that any new company declared to be the industry services body with that responsibility of properly managing these funds, be accountable both to the levy payers in the industry and, also, to the parliament. Under the current arrangements—that is, under the operations of the Australian Pork Corporation and the Pig Research and Development Corporation—because those bodies are statutory corporations, there is a transparent process whereby parliament is able to peruse the operations of the corporations. The details of the expenditure of those corporations are set out in the portfolio budget statements each year and in the annual reports and, accordingly, the Senate has been able to scrutinise the expenditure of funds and the operations of those corporations through the estimates process.

That process will no longer be available to the parliament once a new private company comes into operation. Australian Pork Ltd will be a private company. However, it will be expending government contributions. It will be, therefore, expending and be accountable for public moneys. We have raised this issue on previous occasions and we do so again. There is a clear requirement for accountability to the parliament as well as to the industry for these new arrangements. Our concerns have been raised before in respect of legislation in other rural industries and they have also been raised by the Senate Standing Committee for the Scrutiny of Bills. I refer to *Alert Digest No. 18 of 2000*, which had this to say:

Subclause 9(1) of this bill—

that is the Pig Industry Bill 2000—

authorises the Minister (on behalf of the Commonwealth) to enter into a contract with an eligible body (or with an eligible body and other persons) that provides for the Commonwealth to make marketing, R&D and matching payments to that body. An eligible body is defined simply as a 'body that is registered under the Corporations Law as the company limited by guarantee'. 'Other persons' is not defined, and the bill does not specify any qualifications or attributes which those persons should or should not possess.

Once a funding contract with a body is entered into, the Minister may then declare that body to be the pig industry services body.

The bill makes no provision for Parliamentary scrutiny of these Ministerial decisions. In its *Seventeenth Report of 2000* the Committee drew attention to a similar Ministerial discretion to enter into a deed of agreement with, and to determine, an industry services body for the horticulture industry. Notably, the Horticulture Marketing and Research and Development Services Bill 2000 also authorised the Minister to declare that a body should cease to be the relevant industry services body—something apparently not contemplated by this bill.

The Committee, therefore, **seeks the Minister's advice** as to why the exercise of the discretion to contract with, and declare, an eligible body should not be subject to Parliamentary scrutiny or some form of review. The Committee also **seeks the Minister's advice** as to the persons contemplated by the term 'other persons' and whether these persons should be limited in some way by reference to appropriate qualifications or attributes.

Finally, the Committee notes that Horticulture Marketing and Research and Development Services Bill 2000 was subsequently amended in the Senate to take account of issues raised by the Committee. The Committee **seeks the Minister's advice** as to whether this Bill might be amended in similar terms.

The minister did reply to the committee on that issue and on other issues that they raised. We in the opposition are of the view that, just as a course was taken in respect of the horticulture bill, this bill should also be amended to ensure that there is proper parliamentary scrutiny of the operations of the company and the expenditure particularly of public moneys. Accordingly, we will be moving amendments to give effect to such a requirement. I understand those amendments have been made available to the government and to other parties, and we anxiously await an indication from the government particularly as to whether or not they will agree to our amendments.

We will also be moving similar amendments which relate to the issue of the minister giving directions. Our amendments in that regard will pick up the same types of concerns that were raised by the Scrutiny of Bills Committee and previously raised by the opposition—that is, that such directions, if they are given by the minister, should be ones which, in turn, are required to be reported to the parliament and consequently tested within the parliament.

There is a range of other issues which we intend to take up in the committee stage of the bill. These issues are ones which we have just recently drawn to the attention of the government, once we had an opportunity late last week to see the final drafts of the constitution and of the contract that is proposed to be entered into between the government and the company. Some of those issues, for instance, go to the definitions contained in the contract. One particular issue relates to a definition in the contract of 'agripolitical activity'—that is found in clause 5.3. The contract provides for a prohibition on the company spending funds on agripolitical activity. However, I also note in clause 5.4 that, where an issue arises at the board level of the company as to whether some proposed expenditure is or is not agripolitical activity, there is a requirement for that issue to be referred to the minister. Certainly, it appears that the minister can have a major say in determining what might or might not fit within the definition of 'agripolitical activity'. We can all think of potential problems that might arise in that area. It is something that we wish to pursue and to get some clarification on from the government in the committee stage.

I also note that, in their report, the Senate Scrutiny of Bills Committee—and I do not have time to read the specific references—sought clarification from the minister on the definitions and scope of the terms 'national interest' and 'exceptional and urgent circumstances' used in clause 12. Clause 12 of the bill provides that the minister can issue directions, and I refer particularly to clause 12(3):

> The Minister must cause a copy of a direction to be laid before each House of the Parliament within 15 sitting days of that House after the direction is given, unless the Minister makes a written determination that doing so would be likely to prejudice:
>
> (a) the national interest of Australia;

We will be seeking some clarification from the government, as the Scrutiny of Bills Committee did, as to just what might come within the definition of 'national interest' and also on the use of 'exceptional and urgent circumstances', with respect to clause 12 of the bill.

In summary, there are, firstly, some amendments that we intend to move which will strengthen the legislation by providing for the appropriate parliamentary scrutiny and accountability that we have argued in the past should be provided for in the establishment of these private companies to replace the statutory corporations in these agricultural industries. Secondly, there are some issues that we wish to have clarified during the committee stage debate. With those remarks, I indicate that the opposition supports the legislation and hopes—we look forward to it—that the government and other senators will support our amendments, which will significantly improve the legislation.

Senator WOODLEY (Queensland) (12.51 p.m.)—I rise to speak on the Pig Industry Bill 2000. This bill provides for the winding up of the Australian Pork Corporation and the Pig Research and Development Corporation, so that an industry owned company will undertake the industry marketing and promotion and the research and devel-

opment functions, which were previously the province of those two bodies. I note also that the industry company will be responsible for strategic planning and industry policy development functions, which were previously the province of the Pork Council of Australia. I note that the new company is to be called Australian Pork Ltd. The Democrats certainly welcome the end of what has been a long process of consultation in the industry over these matters. The minister said in his second reading speech:

> These new arrangements will allow a more co-ordinated and commercial approach to the development of industry policy and delivery of services. Importantly it will ensure for the first time that industry levy payers have direct influence and involvement in their industry body ensuring their levies are applied to best effect.

I want to pay tribute today to at least one person. The problem in naming persons is the people you leave out, but I want to pay tribute to officers of the Pork Council who have worked very hard to bring about this legislation and I particularly want to pay tribute to Ron Pollard, a pork grower from Young in New South Wales. I understand he has had to give up a lot of the work that he has been doing in this area because of illness. I am very disappointed about that because he did a tremendous job in bringing the industry together after it had become split during the 1998 election campaign. I remind senators that during that election the Pork Council was very critical of the government and the government was very unhappy about that. I was certainly on the side of the Pork Council and would have delivered the same criticisms—in fact, I did—to the government at that time. The Pork Council paid with some pain for itself during that campaign and, subsequently, the Pork Committee of the New South Wales Farmers Federation split from the Pork Council and we had a divided industry. But the work that officers of the Pork Council and, in particular, Ron Pollard did over the intervening years ought to get the highest possible commendation that this Senate can deliver. Ron is a very quiet man, but someone who just worked away until he brought the industry back together again. Hence, this bill today is a culmination of his efforts over those intervening years.

Part of the impetus for this, not directly but certainly indirectly, was the threat some years ago that imports of Canadian pork posed for the pork industry in Australia. Pig farmers were in dire straits. That was certainly the case with many I talked to in Queensland; but throughout Australia pig farmers were facing a disaster because of Canadian imports. The government—as senators will remember—placed the issue before the Productivity Commission, which found very clearly that subsidised Canadian pork imports were having an adverse effect on the Australian pork industry. The commission pointed out that the World Trade Organisation guidelines which would have imposed some restriction on Canadian imports could have been applied, although, being as dry as it is in economic terms, it did not recommend that we should go down the road. The Democrats hoped that the government might have done that because we believed that, in applying those WTO guideline restrictions, we would have been acting very much in support of the industry. I think we should have done it.

The government decided instead to put in place a financial rescue package, which was of significant help to the industry. But I find it interesting that neither the coalition nor the Labor Party were prepared to use the temporary restrictions which were available under the WTO. I notice now that everyone wants to get on the national competition policy bandwagon, as though nobody voted for it. It was, after all, Labor Party legislation and policy, supported by the coalition at the time. I note that the Democrats, the Greens and Senator Harradine were the only people to vote against it. All of a sudden, national competition policy is probably one of the dirtiest words we can find in the Australian vocabulary, and everyone now wants to bag it. But I note that not many people were bagging it when the legislation was passed in this place.

However, the pork industry was saved, not necessarily by the government's package—although I am sure that helped. It was saved by the fact that in Malaysia and some other South-East Asian countries certain diseases of pigs meant the collapse of the industry in

those places and the ability of our pork industry to move into South-East Asian markets. I suppose one could say it was a fortuitous circumstance, although it certainly was not fortuitous for the Malaysians, but at least it helped our industry. We were able to move into those markets and, as a result, the pork industry has certainly seen much better times in the last couple of years. That is part of the background to this legislation, which comes as the culmination of a number of things that have taken place. The Democrats are very happy to support the legislation and we are very pleased to see it in this chamber.

In relation to the Labor Party amendments, I got those at around 20 past 12, just as I was about to come into the chamber. I do not think they have been circulated in the chamber. I believe the amendments have some merit, but I cannot vote for them until I have checked with a number of people as to whether or not they are as helpful as Senator Forshaw says. I always take Senator Forshaw's word, and I am sure he has described them accurately, but until I have a chance to check those amendments with other people I am not prepared to support them. They sound to me as though they are worth supporting. I know these kinds of amendments have been raised with other bills, but I believe we should not simply support amendments because one side or the other says—or even we say with our amendments—that they are beneficial. We need a little time at least to check that they do achieve what the opposition is saying they will achieve. If we are given time we will consider them.

I notice in the minister's second reading speech that he says the Commonwealth will continue to match R&D funds provided by the pork industry, up to 0.5 per cent of the gross value of production, as applies to other rural industries. In 1999-2000 the Commonwealth's matching contribution for pork industry R&D was $3.6 million. That supports what Senator Forshaw is saying, that there still is Commonwealth government money going into the pork industry and, for that reason, there should be scrutiny by the parliament of these particular matters. There is merit in the amendments which have been foreshadowed, but I will not support them unless we have a chance simply to check with other people whether or not they deliver what the Labor Party says they will deliver.

Senator FERRIS (South Australia) (1.01 p.m.)—The legislation before us this afternoon provides for the amalgamation of the Australian Pork Corporation and the Pig Research and Development Corporation into a single, industry owned body. The company, to be known as Australian Pork Ltd, will undertake both industry marketing and promotion as well as research and development functions.

The Australian pork industry has, as many of us here know, been operating in pretty volatile circumstances over the past couple of years. It was only three years ago that the industry strongly believed that without tariff protection it faced oblivion in this country. However, the then minister, Mr John Anderson, believed that success could only come to this industry as a result of improving competitiveness and moving to an export focus. In November 1997 he launched a $10 million development package for the industry to assist in achieving the export focus the industry so badly needed. In June 1998 we provided an additional $8 million in investment grants to upgrade specialist abattoirs so that they met export standards. One of those abattoirs is sited in Murray Bridge in my home state of South Australia. I have been very closely associated with many of the industry issues that have come up over the last four or five years and I have seen some very strong growth in this industry in recent times. We are now looking at an industry that is worth $825 million a year.

I cannot let the opportunity pass without commending John Anderson for the very strong stand that he took in the face of significant and considerable opposition in relation to the pork industry three years ago. The figures on the growth and the value of this industry very clearly now vindicate that strong position he took. Over the last 12 months the Australian pork industry has in fact experienced a 73 per cent increase in exports. The industry is doing particularly well in Singapore now that Singapore is unable to import pork from Malaysia as a result of the disease outbreaks that have already

been mentioned in this place today. That market alone is now worth over $90 million and accounts for 63 per cent of our total pork exports. The Australian pig industry itself employs between 3,000 and 3,500 people with an additional 3,000 people employed in the processing of pig meat and another 6,000 people employed in the smallgoods manufacturing area. The establishment of the Australian pork industry as a single entity, APL, will go a long way to preserving and in fact enhancing these jobs. I must say it is a far cry from the days of that very unfortunate campaign that the industry ran against this government in the 1998 election. I for one spoke very strongly to the industry against that campaign. I thought it was a very negative and personally offensive campaign and I am delighted to see that the industry now has a far more positive focus.

The pork industry is also exporting into Japan: 17 per cent of our exports now go to Japan. However, while ABARE forecasts Asian demand for pig meat will remain strong in 2001-02, it noted during the recent Outlook Conference that the pork industry now is facing increasing competition in its main markets from the world's major pork suppliers and exporters; that is, Canada and the United States. However, the foot-and-mouth disease crisis that has now hit the Northern Hemisphere has the potential to greatly change the face of the Australian pork industry and in particular the way it accesses export markets. Already Australia has placed a ban on all imports from one of our biggest competitors, Denmark, and I have no doubt that further opportunities will arise on world markets for our industry if the United Kingdom is unable to access these very important export markets that they also have been supplying. So further opportunities may arise in those third markets as a result of the very unfortunate FMD crisis in Britain and Europe.

But strong competition has greatly intensified the need to restructure our pork industry. Moving towards an amalgamated industry structure with a very strong commercial focus emerged as the best way to ensure the continued growth of the industry. I am glad to say that the industry itself recognised this new focus and cooperated in preparing this legislation. In fact, delegates to the Pork Council's AGM last year voted unanimously to support a new structure. This legislation delivers exactly that: it replaces the Australian Pork Corporation and the Pig Research and Development Corporation with a single industry services body operating under the Corporations Law and known as Australian Pork Ltd. This new unified organisation will further increase our level of international competitiveness in pork products. The company will have a very strong commercial focus. It will be responsible for providing marketing services to undertake research and development projects in the industry's best interests, a very powerful combination in a commercial sense.

To me, one of the key benefits of this new company is that it will be able to combine industry policy and industry planning for a far greater level of industry efficiency. The board of APL will be required to include members with specialist skills, one of whom will be an independent director with a strong corporate base and strong corporate skills. All pork producers who are registered as statutory levy payers to the APL will be eligible for full voting rights in the new company. Importantly, levy payers will be able to vote on changes to levy rates and to participate in the election of directors to the board.

Another aspect of this legislation that is very pleasing to me is that the chair of APL will be required to brief the minister at least twice a year on the company's performance and on its research and development priorities. So the key element and effect of this legislation will be to deliver precisely what the pork industry has been asking for: a cost-effective industry body responsive to the demands of world competition and accountable to its shareholding members. The legislation will be a huge boost to our increasingly successful pork industry. What is even more pleasing to me is that the changes we seek to implement today come with an unprecedented level of agreement from the industry and, most importantly, from the 2,500 or so pork producers themselves.

I was very sorry to hear from Senator Woodley that the President of the Pork

Council, Ron Pollard, has been unwell. I recall very clearly the courageous stand that Mr Pollard took in those dark days in the pork industry's crisis of 1997. He was a calm and rational voice at a time when a great deal of emotion was circulating in that industry. I look forward very much to attending the Pork Council's annual dinner tonight to hear of the deliberations that the annual conference has been making during the day today.

Senator O'BRIEN (Tasmania) (1.10 p.m.)—The Pig Industry Bill 2000 is designed to allow for the creation of a pig industry services body, Australian Pork Ltd, to oversee the strategic policy development of this important rural industry. It will also be responsible for marketing and research and development services currently provided by the Australian Pork Corporation and the Pig Research and Development Corporation. The bill will repeal the enabling legislation for both these bodies and also provide for the transfer of assets, liabilities and staff to the new body. This new not-for-profit body will be limited by guarantee and will operate under the Corporations Law, and all industry levy payers will be eligible to register for membership and have full voting rights. This restructure follows a similar process which was established by other sectors, such as the red meat sector, the wool sector and more recently the horticulture sector.

The restructure of the administration of this important industry has been on the agenda for some time. At the Pork Council of Australia's general meeting held on 12 and 13 May 1999, delegates resolved that a joint industry-government working party be established to develop options for the establishment of a single industry body. This resolution led to the preparation and distribution of an options paper in October 1999. That paper offered three models for amalgamating the three organisations into one body. As this industry has done on all important issues, a very exhaustive consultative process was undertaken with members. This involved direct mail, fax stream broadcasts, media exposure of the options, and direct meetings with producers. I understand that there were meetings in no less than 14 regional centres and also that there was overwhelming support for the option recommended by the working group.

Pork producers faced a very difficult market conditions situation through the second half of the 1990s with very low prices, rising input costs caused by drought and the hoarding of grain, a stable domestic market for pig meat and an increasingly open Australian economy. But, despite the obvious and increasing hardships facing many producers, requests for help from Canberra were met with little or no interest. The so-called farmers' representatives in the Howard government, the National Party members and senators, proved to be no representatives at all to this industry. In response to requests for action to protect them from a flood of imported products through the application of WTO legal action, Mr Anderson and Mr Fischer told producers to forget it. The National Party leadership said that growers should put the national interest ahead of the interests of their families and their farms.

The approach of the government to any issue in recent weeks provides an interesting contrast. The national interest is now well and truly off the agenda and has been replaced by raging political self-interest and nothing more. This is a very good time to ask a government for help, when it is in its terminal political decline, as is this government: you are sure to get a positive response. But clearly that is no way to run a country—and I am sure the voters of Australia will agree.

Since the early 1990s this industry has also experienced profound structural change. It has largely made the transition from a fragmented and domestically focused industry to a cohesive, internationally focused industry. It is now increasingly an export industry with a solid domestic base. But it has been a difficult road to that reform. As I said, its task has been made almost impossible by this government. Rather than work through a comprehensive strategy to help this industry, the government responded—and, I might say, with some considerable reluctance—in a disjointed and ad hoc manner.

In November 1997 the then minister announced assistance worth $10 million. He said it was designed to boost the competitiveness of the industry. But clearly that re-

sponse from the government was inadequate. Then on 10 June 1998 Mr Anderson and Mr Fischer had a second attempt, announcing what was described as an 'enhanced' assistance package for the pork industry. This package was also designed to enhance the competitiveness of the industry. It was more a response to the difficult political situation than to the needs of the industry—and that not only is my view but also was the view of the then Deputy Prime Minister, Mr Fischer. On the ABC's *PM* program on 10 June 1998 Mr Fischer was asked whether or not the second government pig meat assistance package was an electioneering handout. He said:

> Well, I think it is more to do, to be blunt and honest, with the fact that people are voting next Saturday in one State of the island and, soon enough across the whole of the land, and there is a sense of urgency attached to this industry.

I do not think I need to say any more on that point. This second package provided an additional $9 million to go with the already committed $10 million. But the package was still clearly inadequate and in January 1999 we saw yet another package announced. This one was worth $6 million and was designed to assist people to exit the industry—not a coordinated strategy to address all the key issues facing the industry and delivered in a timely manner, but a disjointed approach driven by political pressure.

Much of that political pressure emanated from this chamber. On 7 April 1998, the Senate supported a motion calling on the then Minister for Primary Industries and Energy, Mr Anderson, to take immediate action to assist the Australian pork industry. Specifically, the Senate called on the Howard government to launch an immediate inquiry to determine whether the level of imported pig meat was the primary cause of the industry's current difficulties. If that proved to be the case, then the Senate called on the government to look to the 'emergency protection of an industry' provisions of the World Trade Organisation rules to limit the volume of imports. The motion also called on the government to review the current level of financial assistance available to the industry, and to put in place proper labelling arrangements.

Following the Senate's resolution, two things happened: prices deteriorated further, and imports surged. The front page of the May issue of the *Pig Producer* said it all: 'Farmers shoot pigs—they can't sell them'. Rather than deal properly with what was clearly a crisis, the then minister, Mr Anderson, decided to play politics. In an interview on the ABC *Country Hour*, he claimed that there had not been a rise in imports. He said:

> My honest assessment of that is that at the moment it is likely to be found that there's been no particular rise in what is coming in.

He continued:

> In fact, what's coming in now is what was allowed in under the 1992 protocol set up by Labor.

I thought at the time that the minister was surprisingly out of touch with the circumstances of this important industry. But, having observed Mr Anderson since that time, particularly as the minister responsible for aviation, I should not have been in the least bit surprised.

The reason I raised this matter in the first place was that it was obvious to me—and apparently to everyone else except Mr Anderson—that the pork industry was in trouble and needed help from the government. That is what governments are elected to do, and that is the reason we have a minister for primary industries. I did not say that it was the minister's fault, because import protocols for imported pig meat were varied in November 1997. I said that there had been a surge in imports and a collapse in the domestic price and that the government needed to look at that as a matter of urgency. I said that, if imports were the major problem, there were things that the government could do to assist the industry. I called on the government to look at what action could be taken within the terms of our GATT arrangements. That was the view of 75 other senators in this place. The motion was supported by National Party senators, Liberal Party senators, my colleagues, the Democrats, the Greens and the Independents—but not by Mr Anderson and not by Mr Fisher.

The Senate, it seems, saw it as an apolitical issue, but the minister was not of the same view. He did not say, 'Yes, there is a problem and, yes, we will do what we can.' He said, 'There has not been an increase in imports and, anyway, it is all Labor's fault.' There were, in fact, record imports in 1997. Over 11,000 tonnes were imported, resulting in a fall in pig prices in the lead-up to Christmas of that year for the first time in history. The prices being received by growers reached their lowest level for 30 years. The records show historically that the pork industry supports trade that is fair and free, but the industry is quite rightly opposed to competition from countries that subsidise and protect their own industries. At that time, with this government saying to pork producers, 'We must support free trade,' Denmark granted unimpeded access for Australian pork but only as long as local producers—that is, Australian producers—paid a tariff of $3,145 a tonne, and Canada was providing its domestic industry with production subsidies of around 16 per cent—a figure disputed at that time by the Canadian High Commission, which claimed the subsidy was only 11 per cent.

As a result of the failure of the Howard government to help this industry in its hour of need, pork producers were forced to resort to direct political action. Again, rather than address the legitimate needs of pork producers, the government chose to issue a few political threats of its own. During the 1998 election campaign, the then Deputy Prime Minister, Mr Fischer, wrote to Mr Mazzanti, a member of the South Queensland Pork Action Group. Mr Fischer was responding to a letter, dated 10 September, from Mr Mazzanti to Senator Brownhill. Mr Mazzanti raised a number of concerns about how the Howard government policies were adversely affecting rural and regional Australia. Mr Fischer said that he was responding to the letter to Senator Brownhill because he 'has asked me to respond on his behalf'. It is highly unusual for the Deputy Prime Minister to reply to a letter on behalf of a parliamentary secretary, but we did have a highly unusual Deputy Prime Minister and so nothing should come as a surprise.

The letter ran through the usual lines about getting macro-economic settings right, how important a free trade regime is to the overall wellbeing of the rural community, and how there are now effective antidumping and safeguard procedures to deal with instances where Australian producers for the domestic market are being injured by unfair competition from imports. He claimed, quite inaccurately, that the opposition's call for action to protect the interests of the pork industry by limiting imports was in contravention of the World Trade Organisation rules. He referred to the alleged transport cost savings to rural and regional Australia in the Howard tax plan—which I might say has turned out to be little more than a sick joke. At the bottom of the letter the Deputy Prime Minister added a postscript. It said:

> The pork industry's continuing advertising campaign is very carefully noted, including those elements of the industry pushing it.

Despite a denial from his office on the matter, that postscript was nothing less than a threat. The government did not properly consider the difficult circumstances the industry faced. It did not look at all the possible policy remedies. It ignored the fact that there had been a massive surge in imports. It ignored the fact that the importers had targeted the peak season for the product on the domestic market. It ignored the fact that the importers had focused on the premium cuts of the product. It ignored the fact that there had been a collapse in the price received by Australian producers—a price well below the cost of production. It dismissed any short-term assistance through the provision of exceptional circumstances programs. It also chose to ignore possible trade remedies, such as legal remedies through the World Trade Organisation—measures that a number of our trading partners regularly use, including against Australia.

The crisis that confronted Australian pork producers and the complete failure of the government to respond to that crisis in a constructive, comprehensive, timely and sympathetic manner is one of the sorry tales of public administration under Mr Anderson and Mr John Howard. This government well and truly dudded the Australian pork indus-

try. This industry was not seeking a One Nation style 'blanket ban on imports' response from the government. It was looking for a comprehensive and legal response to the personal and financial crisis confronting many producers. But it did not get it. The industry quite reasonably took its case to the public during the federal campaign, as it was entitled to do. The way in which the government dealt with this matter gave the industry no option but to take the action that it did.

There are very few sectors in the rural economy that have experienced such significant change. The pork industry in 2001 now produces more meat of a better quality and at a lower production cost than ever before. Such a radical change has not been without its difficulties, but this sector accepted that it had no choice. This change has been underpinned by considerable producer investment in research and development and marketing programs. This change has come about without the support of the price stabilisation schemes, floor prices, single desk arrangements, or import tariffs and quotas enjoyed by sectors such as the wool sector, the wheat sector, the sugar sector and dairy producers. Australian pork producers are committed to the development of a sustainable, export orientated and jobs generating industry. Unlike the government generally and the Deputy Prime Minister in particular, we on this side of the chamber are committed to working constructively with them to achieve that goal. The passing of this bill, and the reforms that will flow from it, is an important step in that process. But there is absolutely no basis on which this government can claim any credit for these reforms. They have been achieved by the pork producers in spite of the government.

Senator BUCKLAND (South Australia) (1.26 p.m.)—The objective of the Pig Industry Bill 2000 is to streamline the current industry's management through merging and privatising the three pork industry bodies into one controlled organisation. That in itself is a sign of maturity and goodwill on the part of the industry in general and should be applauded. In August 2000 the Minister for Agriculture, Fisheries and Forestry, the Hon. Warren Truss, announced that the government had given approval for a new company, Australian Pork Limited, to join together the three industry and statutory bodies: the Pork Council of Australia, the Pig Research and Development Corporation and the Australian Pork Corporation. It was envisaged that a new single organisation would remove inefficient duplication in servicing industry needs and provide a single point of contact for pork producers as well as our domestic and international trading partners.

The Australian Pork Corporation, established under the Pig Industry Act 1986, is the statutory marketing authority for pork produced in Australia. It is funded by a promotion levy of $1.65 per pig slaughtered, payable by the producers. The revenue raised in 1999-2000 amounted to $8.24 million. Using 'new fashioned Australian pork' as a vehicle for marketing and sales programs for the pork industry in Australia and overseas, the corporation is better positioned to provide other services to the industry, such as a central information resource in the form of a library and a statistical service that analyses international and domestic trends in pork production and marketing. It also provides a defence against unwarranted and unnecessary pig importations.

The Pig Research and Development Corporation's role is to invest and manage research and development funds on behalf of the Australian pig industry and the Commonwealth government, with the objective of improving the performance and sustainability of the Australian pig industry. It also serves to increase the industry's global competitiveness. We have seen signs that the industry is becoming more and more competitive and more efficient in its costs and production criteria. Support spans over 100 research and development projects that encompass long-term research and breeding and health issues within the pig industry, and the industry is provided with information and training packages on topics such as pig housing, management and animal health handling. The corporation's income is obtained from two sources: a levy rate on pigs slaughtered, which in 1999-2000 was set at 70c; and a Commonwealth government contribution of $1 for each $1 collected by the

corporation, up to 0.5 per cent of the gross value of production.

The Pork Council of Australia is the third body to be incorporated into the new company and is representative of the Australian pork industry itself. It was founded in 1992 and represents 75 per cent of pork producers across Australia. It was established by producers to represent their interests before governments and industry bodies. The PCA is funded by voluntary membership. The cost of voluntary membership of the PCA is $1.50 per breeding sow. Its statutory obligation is to monitor how pork producers' statutory levy funds are used and to provide advice to government on the expenditure of funds to benefit the industry. The PCA is also a lobby group to government and to other industries on behalf of pork producers.

The working party of the pork industry restructure was established in 1999, where three alternatives for the industry to achieve a single industry organisation that incorporated policy, research and development and marketing functions were formulated. Like other speakers before me, I have recollections of the trauma that was facing the industry, particularly during 1998 and the lead-up to the last federal election, and the trauma was felt right down through the industry to the smallest of breeders. I believe this initiative will overcome the difficulties that were experienced at that time. The most interesting information to come out of this working party was that pork producers were no longer interested in continuing the current arrangements involving the three national bodies. There was overwhelming support from the industry to streamline these organisations into one body incorporated as a nonprofit company and controlled by the producers themselves. As I said before, I believe that step should be applauded for the maturity shown by the industry.

Apart from the overwhelming support for change in this industry, there are other factors leading to pressure for these changes to occur—for example, a stable or declining domestic market for pig meat, declining returns to producers, competition from imports and a small export sector. Consumption of pig meat has remained stable since 1994, but at the same time Australian pig prices have been falling in real terms since the early 1970s, as has been the case for other livestock industries. This indicates that there is a marked reduction in the cost of production. Again, that is something that should be applauded, but it does need our support to ensure that it is translated into greater sales and greater development for the pig industry.

Until recently, the pig industry has focused almost exclusively on the domestic market. The main export markets for Australian pig meat have been Singapore and Japan—and I understand they are expanding. This situation needs to change, and the new body will have a greater opportunity to develop new export markets. It will be a new body with one single head. The government has announced the go-ahead for a new company to take over the functions of the three existing bodies. The new company board will have nine directors, five of whom will be elected by the pig producers. Three of these will be appointed on the basis of their skills and their expertise. There will also be a managing director. I think that is a very important component of this. At least three of the nine-member board will be selected on the basis of their skills and expertise. Unless that was in place, there could be doubts as to the future efficiency of the new company.

The constitution of the APL was not available to me, but I see today that there are drafts, and I do intend to go through those and make comments if I feel that comments are necessary. But I think it is vital for us to examine those documents prior to doing more than giving tacit support at this stage. I have heard and noted previous speakers in relation to this but, not having had an opportunity to look at those before coming into the chamber today, I can make no real comment on the drafts.

The final report of the working party on the pig industry restructure has recommended that there be two classes of membership in the new company. There are producers who choose to pay only the statutory levies for research and development and marketing activities, and who do not pay the voluntary levy used to fund political lobbying activities. That is one area where I think

we do need to examine the contract and the constitution to ensure that these people will not, in an overall sense, be disadvantaged. Small producers may find that the cost of additional levies is prohibitive to them, and I would shudder at the thought that, in some form, they could be disadvantaged by this. No doubt the industry have examined it themselves and feel comfortable with it. If that is the case, it deserves our support. The entitlements of the voluntary levy paying members would be: to have a say in future proposals to vary the statutory levy rates, to have the right to ask questions and be heard by the APL in general meetings, and to receive certain company information contained in financial reports and the director's annual report.

Producers who pay both the statutory and voluntary levies would have additional rights, including the right to participate in the appointment of delegates to represent them and vote at general meetings of the APL, voting rights to remove directors, and the right to call special meetings to amend the APL constitution. As one who has been around when meetings are held to monitor people's performance, I would be out there encouraging everyone to pay the voluntary payment as well as the statutory payment to ensure that their voice is heard and their will is acted upon. It is the voluntary and non-voluntary aspect of the new company's constitution that really does cause me concern. I think those concerns will be put to bed when I have the opportunity to read through the constitution. I would hate to think that there is a fear for any members within the producing group that, because they are not paying that voluntary levy, they may not be getting the same services and their concerns may not be addressed equally with others.

This bill follows two acts passed in 2000—the wool act and the horticulture act—which sought to transfer control over marketing and research and development activities from government to industry participants. Those acts provide for private control in relation to levies whilst retaining the element of public control in relation to the use of government subsidies. This bill extends to all the external territories and will also extend to acts, omissions and other things outside Australia. The bill provides for the minister, by written declaration, to transfer assets, contractual rights and obligations, liabilities, rights and titles or interests in land held by a statutory authority.

The main issue regarding this bill is accountability. The APL will receive the bulk of its income from the compulsory levy and public funding—hence the need for accountability. It will perform a public function for the pork industry and the wider community. The issue of accountability apparently will be detailed in the constitution. As I said earlier, since coming into the chamber I have now received a copy of the constitution, and I look forward to reading through it. Indeed, this issue was addressed by the minister in his second reading speech.

It is significant that we can give consideration to what is in the constitution, because it demonstrates a transformation in the vehicles of accountability. It is clear that the statutory authorities are accountable to the executive and to parliament. The APL will be accountable to the general public via the Corporations Law, to the stakeholder group via the constitution and to the executive via the funding contract, but it will not in itself be accountable to the parliament. This is not unusual, of course, in the context of privatisation. It does, however, reflect a compromise that resolves the tension between a private sector structure and public sector accountability.

Voting rights of members will not be direct but will be attenuated by the voluntary levy. In addition, assuming that the cell system is retained, voting rights will be further attenuated by the need for members to combine their herds into a cell of 7,000 sows. It could be argued that these features undermine the accountability of the APL. While producers make a direct contribution to the APL's marketing and research and development functions, they may not have the right to participate in setting directions and priorities. Small to medium sized producers will be reliant on external representative groups who pay the voluntary levy, and they will only be able to exercise that right indirectly. It is also important to note the connection

between the voluntary levy and the political lobbying function. The right may inadvertently be lost if there is a split among the representative members, and their interest in commercial issues may also be vulnerable to political considerations. I trust that that will not be the case.

In conclusion, subject to the examination of the new company constitution and the contract with the Commonwealth, and finding no difficulties with those, I believe the bill should be supported. So I join with my colleagues in supporting the bill.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (1.45 p.m.)—I thank honourable senators for their contribution to this debate. I would now like to sum up the debate. I understand that the opposition have some amendments to be moved. As we have not yet seen the final draft of those amendments, I would welcome their circulation as soon as possible so that the government and other interested parties have an opportunity to look at them in their final form.

The purpose of the Pig Industry Bill 2000, as we have all agreed, is to create a new pig industry services body that will provide for the integrated delivery of industry marketing, promotion and R&D functions as well as strategic planning and industry policy development functions. There is no doubt that the Australian pig industry is a rapidly growing and changing industry. The gross value of production for the pig industry is expected to reach some $850 million this financial year. Around 2,500 people are pig producers, with a further 9,000 people employed in pork processing and the manufacturing of smallgoods. The industry is very important to rural and regional Australia and, as everyone has remarked, it has undergone significant change in the last few years.

Rather than go down the path marked out by Senator O'Brien, who regarded this as a particularly political development, I would like to emphasise that the government over 1997-98 put some $24 million into the pig industry. There is no doubt that, amongst other things, this provided the infrastructure for the export surge that we have seen since. Negotiations were already proceeding quite strongly with agencies in Singapore before the unfortunate Malaysian pig virus, which put a stop to that country's trade in pork with Singapore. But the important fact for this chamber to note is that the opportunity was then provided for the expansion of efforts on the export front not only to Singapore but also to other countries, and that was in part provided by the willingness of both producers and processors to take up the opportunities offered by the government's provision of some $24 million.

Since then, we have seen many of the excellent abattoirs in Australia rise to export standard and improve their infrastructure, producers rise to the challenge of providing what the customer wants and, indeed, a general lifting of the game on all fronts so that the pig industry can now look forward to the future with renewed confidence. That is partly because of export development opportunities, but there is no doubt that it is also because of pressures on the domestic market from imported product. Both Australian pork producers and supply chain participants have been required to adjust to effectively compete with overseas producers. Consequently, the pork industry has created and seized its own opportunities to target high value export markets. That is where we should be in the future, and I am confident that that is where the industry is going.

In the last two years, for example, we have built exports of high quality chilled pork to Singapore from next to nothing two years ago to over $90 million today. We have also built high quality pork exports to Japan from $22 million two years ago to $43 million today. That is a remarkable effort by any industry, and I do applaud the participants in the pig industry for the efforts that they have put into that. It is a remarkable achievement and it matches the export gains of our best performing agricultural industries of recent years. Those have been pressures and they have been opportunities, but they have also caused the industry to re-evaluate its priorities and to reassess its approach to the management of industry issues and the delivery of services. The new industry services body, which will be known as Australian Pork Ltd,

is a result of recognising that new industry environment.

The Australian Pork Corporation and the Pig Research and Development Corporation have been performing their designated functions to an excellent standard, but the industry has also recognised that industry services must be provided in a different way to more effectively and efficiently meet future opportunities and pressures to be faced by the industry. As a result of this legislation, the Australian Pork Corporation and the Pig Research and Development Corporation will be wound up. I feel that it is appropriate at this point to talk about how well those two organisations have served the industry to date and the good work they have in train. It is a credit to the board and staff of those organisations. Through my role as Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry, I have been particularly involved with the work of the Pig Research and Development Corporation and, in attending many excellent seminars throughout Australia, I have noticed how well they are educating pig producers and other people associated with the industry to perform their role in the future. It is very reassuring to know that most of the staff of those two organisations will be continuing to work with the new industry services body.

There is also no doubt that the restructure provided by this legislation and the formation of the new company has widespread and unanimous industry support. The creation of Australian Pork Ltd is the culmination of extensive consultation and more than 12 months planning by the industry in partnership with the government. Under the arrangements, all levy payers will be eligible to become registered members of APL and, therefore, will be able to have direct input into the management of the industry services body. Industry levy payers will have, for the first time, direct influence and involvement in their industry service provider.

In the preceding speeches, a great deal of emphasis has been put on the word 'accountability'. Perhaps I could reassure senators that the proposed approach has three strong levels of accountability built in to ensure that this new body is responsible in its use of both industry and Commonwealth funds. Never before have pork producers had the opportunity for such a direct say in the management of industry affairs and the provision of industry services. The company will be required to prepare annual strategic and operational plans and will be required to report back to members on its ability to meet planned objectives and outcomes. The annual report will also be underpinned by an annual audit and by regular independent performance reviews. Members will have the opportunity to directly question the board about the achievements and the conduct of the company and to make recommendations about the business of the company. Members will also have a direct say in any proposals to change levy rates and influence the selection of directors as well as voting rights on a range of governance and industry issues.

Because Commonwealth funds are involved through levy payers' contributions and matching research and development funds, there must also, of course, be a level of accountability to government. The framework for the arrangements recognises this. That expenditure—that is, expenditure of industry levies and eligible R&D expenditure—currently amounts to more than $3.5 million each year. Accountability to government is therefore provided through the signing of a contract with the government. I expect that we will be exploring this in the committee stage. This will ensure that the board fulfils its industry and its public accountability obligations. The contract includes provisions for the company to prepare its strategic and operational plans, meeting specified requirements within four months after transition time. It also requires the company to have in place fraud control, intellectual property and risk management plans.

The contract also defines the purposes to which the marketing levy, the research and development levy and Commonwealth matching funds for research and development can be put. It specifies that an annual audit is required, that an independent performance review be conducted every three years and that copies of these reports be given to the Commonwealth. In addition,

provision has been made for the chair of the company to meet regularly with the minister to discuss overall industry issues.

Finally, the company will be required to conform to the standards and requirements provided by the controls under Corporations Law. The board will be required to meet Corporations Law requirements for financial and fiduciary responsibility, and the company directors will be accountable in the normal manner as for any commercial company. If the company changes its constitution in a manner considered unacceptable to the government, if it becomes insolvent or if it fails to comply with the legislation or the contractual arrangements, the company may have its declaration as the industry services body revoked. All of these safeguards have been provided in the legislation to ensure that the company delivers what is expected of it by its members—the levy payers—and by government.

In conclusion, I strongly support the legislation, because it will deliver a new and more integrated and commercial approach to the delivery of marketing and research and development services. It will also deliver strategic policy and the management of pork industry issues. There is no doubt that there has been an extremely cohesive industry approach on these matters. Certainly, if there are any matters which require the attention of government, either the minister's office or my office would have heard about it. I emphasise that there has been a very well integrated and concerted approach by industry to deal with these matters, and that has come through in the way in which the legislation has been developed. This is an integrated and commercial approach and it will be driven and controlled by levy payers more directly than ever before. At the same time, there is strong accountability for performance built in as well as accountability to both levy payers and government. I commend the legislation to the Senate.

Question resolved in the affirmative.

Bill read a second time.

Ordered that consideration of this bill in committee of the whole be made an order of the day for a later hour.

NEW ZEALAND PARLIAMENT: GIFT TO THE AUSTRALIAN PARLIAMENT

The PRESIDENT (1.58 p.m.)—I wish to inform the Senate of a gift to the parliament by the New Zealand parliament. On 7 March this year, the Speaker of the New Zealand parliament, Rt Hon. Jonathan Hunt, came to Canberra and made this presentation to the parliament. The painting was received by the Speaker and me. It is a very significant gesture. When Mr Hunt made the presentation he made plain that it was because of the close association between our parliaments and the affection that is felt between Australian and New Zealand parliamentarians. It is a Hans Heysen painting named *Milford Sound and Mitre Peak, New Zealand*.

Hans Heysen, a well-known Australian painter, visited New Zealand in 1907. He was looking for new things to paint and new things to see. He had met a New Zealand student when he had been studying in London. During that time, he was commissioned by the new New Zealand Tourist Commission to do two paintings. It was the year New Zealand became a dominion. This is one of those paintings. Subsequently, it was used by the Tourist Commission. For many years, both paintings have been in the Speaker's quarters in the New Zealand parliament.

They have decided to give one of the paintings—the one I referred to, *Milford Sound and Mitre Peak*—to the Australian parliament as their gift to mark the Centenary of Federation. I personally regard it as a most generous gift and one that we have been very pleased to receive, marking the relationship between our two parliaments. The painting will be hung in the public area of the parliament near the Presiding Officers exhibition area. I hope that many people will see it during this year and into the future. It has a plaque upon it giving the indication that it is a gift from New Zealand to the Australian parliament. I certainly thank the New Zealand parliament most sincerely for a most generous gift.

QUESTIONS WITHOUT NOTICE

Economy: Australian Dollar

Senator COOK (2.00 p.m.)—My question is to Senator Kemp, the Assistant Treasurer.

Does the Assistant Treasurer agree with Mr Costello's statement on 30 January 1996:

> A falling Australian dollar reduces living standards by making imports more expensive—we have to export greater quantities of goods and services to acquire any given amount of imports. With each fall of the Australian dollar, Australians have to work longer and harder to acquire any given amount of imports.

In light of this statement by Mr Costello, how can the Prime Minister also be right when he recently told a group of Brisbane retirees that the value of the Australian dollar 'doesn't matter at all for people living in Australia'? Who is correct: the Treasurer in claiming that the falling dollar does matter or the Prime Minister in saying that it does not?

Senator KEMP—Let me make a couple of observations. Firstly, Senator Cook will be aware that I am always somewhat loath to take quotes from the Labor Party because they are often quoted completely out of context. The record will show that on numerous occasions in this chamber exact and full quotes have not been given and the context of those quotes has not been appropriately shown. Let me make a couple of observations in relation to the first quote. When the Australian dollar falls quite clearly it does affect the price of imports, as Senator Cook said. Equally, the falling dollar can have the effect of boosting the export sector. As Senator Minchin has said on a couple of occasions, there are issues you have to put on the negative side and there are issues that you have to put on the positive side, and that is correct.

In relation to the second quote by Senator Cook, the performance of the government in delivering higher living standards to Australians is virtually without parallel in the last 30 years. The government have delivered a prolonged period of growth. Equally, we have delivered rising real wages, which the former government failed to deliver. Let me also make the observation that we have been able to increase the real level of pensions and benefits. Those points have been made on many occasions by my colleague Senator Amanda Vanstone. The Prime Minister has quite rightly drawn attention to the fact that the government have lifted the real level of pensions. Equally, he pointed to the fact that, because of the performance of the economy, we have delivered real rises in wages and salaries, the likes of which were not paralleled by the previous government.

Senator COOK—It is as if Ryan never happened! Madam President, I ask a supplementary question. Was the Treasurer correct when he stated on 30 June 1995:

> To the extent that this Government drives down the Australian currency, it impoverishes every Australian.

Given Mr Costello said this when the dollar was valued at US71.08c, and he has now driven the value of the dollar to below US50c, what does this say about the level of impoverishment that he has now forced on all Australians?

Senator KEMP—Again, let me make a number of observations about Senator Cook's comments. It is quite true that every time Senator Cook and his colleagues get up in this parliament they attempt to talk down the Australian economy. That is the Labor Party's approach—to talk down the Australian economy. The reasons for the changes in the value of the Australian dollar have been explained on many occasions. It is quite clear that we have seen a surge of support towards the US dollar, which has affected the level of currencies valued in American dollars.

Drugs: Tough on Drugs Strategy

Senator COONAN (2.05 p.m.)—My question is to the Minister for Justice and Customs, Senator Ellison. Will the minister advise the Senate of the latest initiative to be announced as part of the Howard government's $516 million Tough on Drugs strategy? Will the minister outline how the strategy has contributed to recent successes in the detection and seizure of illicit drugs by the Federal Police and Customs? Is the minister aware of any alternative policies and their impact if implemented?

Senator ELLISON—I thank Senator Coonan for that very important question. Yesterday the Prime Minister launched the latest initiative of the government in the Tough on Drugs strategy. It is our strongest defence against the drug problem. Recent

research shows that more than 70 per cent of young people aged between 15 and 17 are influenced by the advice of their parents, especially in relation to illicit drug usage. So it is very important that we target families and parents in Australia in our fight against drugs. The first phase of the campaign will run over the next two months. Just over $27 million has been allocated for this very important information campaign. An information booklet will go to all households, containing very important information on how parents can talk to their children about drug usage, how they can understand the problem and how they can pick up those warning signs that are so important when dealing with children, particularly of teenage years, in relation to drug abuse.

There will also be a television campaign and an information and support network involved where families can get further advice and assistance including a free information line 1800 250 015. This will provide information and point parents, and others who are interested, to counselling services that are available and will work through alcohol and drug information services in each state and territory. This is a very important initiative in relation to the Tough on Drugs strategy, one which has involved more than $500 million of expenditure by this government.

We also have other aspects to the strategy and, as mentioned by Senator Coonan, there is the law enforcement aspect, and that is very important indeed. Last year we saw a 300 per cent increase in the interception of illegal drugs. Since this Tough on Drugs strategy we have seen $1.24 billion worth of illicit drugs seized by our law enforcement agencies and we have the highest level of cooperation by our law enforcement agencies to date. Yet we still have the Leader of the Opposition talking about a coastguard, something which in 1984 he said in a report would be too inefficient and too costly. This is an example of someone who has not thought through policy in relation to this very important area. We have in place a coastal surveillance strategy—over $120 million there. We have our National Illicit Drug Strategy, which ties in law enforcement agencies across this country and deals with not only working at the border and Customs interception of illicit drugs but also the AFP and the excellent work it has been doing with the NCA, the National Crime Authority, and state police forces across this country.

This initiative that the Prime Minister launched deals with education. What did Labor have it in its position on drugs which was released just two weeks ago? What did it say about education? Out of 28 pages, less than one page was on education. We have the Leader of the Opposition going beyond in principle support for heroin trials when he says, 'Labor will provide funds to assist in the proper and independent assessment of heroin trials'—a lot of rhetoric, a lot of talk about heroin trials but nothing concrete on things such as law enforcement and education. We have a concrete, practical approach to helping families and particularly Australian parents in dealing with their children and educating them against the scourge of drug abuse. This will go a long way to helping families across the board in dealing with the drug problem, which all Australians know is one of the biggest problems facing society today.

Economy: Performance

Senator CONROY (2.10 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Does the Assistant Treasurer agree with the Deputy Governor of the Reserve Bank, Dr Stephen Grenville, when he said last week:

> What was not foreseen was, first, the size of this fall in housing construction and, second, the degree of confidence-sapping annoyance with the administration of the GST.

If the Assistant Treasurer does not agree with this allocation of blame for the economic slowdown from a member of the Reserve Bank board, why not?

Senator KEMP—I appreciate the opportunity to respond to the matters that have been raised by Senator Conroy. Senator Conroy would be aware that the Treasurer did make some comments on this particular matter and he may be interested if I share those comments with him. As the Treasurer said, the government has always said that there would be a one-off transitional effect of the new tax system—

Senator Conroy interjecting—

Senator KEMP—in particular—if Senator Conroy is prepared to listen—a pull forward of the housing construction into the first half of 2000 and a consequent steep decline from a record base in the second half of the year. Dr Grenville of the Reserve Bank of Australia in his speech of 23 March, which Senator Conroy was referring to, reinforces the observation that, apart from the construction sector—which is only five per cent of the economy—the remaining 95 per cent of the economy continued to grow at four per cent. Mr Costello went on to say that the government also agrees with the Reserve Bank that it is possible for an economy to talk itself into slow growth.

In light of the Labor Party's position and its constant efforts to talk down the economy, the Treasurer went on to say that an attempt to talk down the economy can be self-fulfilling if done persistently enough. This is the policy of the Australian Labor Party. This is exactly what the Labor Party has been doing. I am also pleased to record that the Treasurer went on to say that the economic fundamentals of the Australian economy are strong, backed by low inflation, low interest rates and a strong budget position. Australia can take advantage of tax reform which makes the export sector more competitive, adding to the advantage of these super competitive exchange rates—and these are matters which we discussed with Senator Cook in relation to his first question.

Opposition senators interjecting—

Senator KEMP—If the Labor Party could manage to control itself for just a moment, let me finally add that the new tax system puts in place long-term, pro-growth structural changes which were endorsed by the IMF as recently as this week. We all know what the Labor Party's policies deliver. The Labor Party is a high tax party, a high borrowing party, a high interest rate party. One only has to look at the record of the Hawke and Keating governments and the performance of Mr Beazley during those long, barren years—the 13 years of Labor—when they ran up massive amounts of debt.

Senator Sherry—No. No.

Senator KEMP—Senator Sherry says no. The facts argue my position not his position. The Labor Party is probably best remembered for rising interest rates to 17 per cent—

Senator Conroy interjecting—

Senator KEMP—and going north, Senator Conroy. The Labor Party's poor performance on the economy is well known and the tragedy for the Australian people is that the same ministers who so mucked up the economy previously are still here.

Senator CONROY—I ask a supplementary question, Madam President. I was just wondering if the Assistant Treasurer could refer us to any page number in the 500-page ANTS document that mentions transitional effects or confidence sapping annoyance with the administration of the GST. Can you also clarify this important issue: has the GST stimulated the economy or slowed it down, as claimed by the Deputy Governor of the Reserve Bank?

Senator KEMP—One of the problems is that, when you answer a question, no-one listens on the other side, particularly Senator Conroy.

Honourable senators interjecting—

The PRESIDENT—Order! I need to hear the answer that is being given.

Senator KEMP—Let me just make the point that Dr Grenville's speech—as the Treasurer said—reinforces the observation that, apart from the construction sector, the remaining 95 per cent of the economy continued to grow at four per cent. I think that precisely answers the question that Senator Conroy raised, to which he has paid no attention whatsoever.

Information and Communications Technology Sector

Senator TIERNEY (2.16 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. What has the government done to increase the pool of capital available to companies in the information and communications technology sector? Is the minister aware of any indicators of the success of the government's approach? Is the minis-

ter aware of any alternative policy approaches, and what would be their effect if they were implemented?

Senator ALSTON—The answer to the first question is heaps. We have done an enormous amount to stimulate innovation and investment in this country, and it is reflected very starkly in the figures. Ever since we established the Innovation Investment Fund scheme back in 1997, we have put some $200 million into ensuring, on a match basis, that there are a number of projects that are now able to access funding that simply was not there before. Similarly, the BIT scheme with the new incubators in each state and territory will lead to a very significant expansion of activity that does require venture capital funding, or pre-seed funding, as will be available from the innovation action plan. Of course that was a very major statement. I think it is probably the single most important statement that has ever been made in the area of innovation, and it is something that was greatly welcomed by the community in general and the scientific and other communities in particular who have been crying out for this sort of assistance—$2.9 billion is a very substantial sum of money.

What had been the Labor Party's response to date? We got that mickey mouse online university, which turned out to have been around already for about six or seven years and which has now been pretty much discredited overseas, and the Labor Party were telling us that it was somehow going to blow the innovation action plan out of the water. We have a long way to go. We now read that all their policies have been completed. Madam President, did you know that? They are now out there boasting that they are all in the bottom drawer. So what are they afraid of? It is all a bit confusing, isn't it? As recently as last week, on the Monday after the Ryan by-election, Mr Beazley was saying that, if they did not have any policies, the issue of how they can afford them does not come up. So, in other words, on the one hand he is out there saying, 'Don't expect us to cost anything;' but now he is out there blithely telling people that they are all in the bottom drawer. Of course, they are based on estimates that were some months old and which have nothing to do with the current situation and which, he now says, because of the Charter of Budget Honesty, means that they will not be able to do anything until the second week of the election campaign. So they really are all over the shop.

In terms of venture capital, the amount raised annually has increased by a factor of 10 since this lot were thrown out of office. In the last year of Labor, in 1996, there was a trickle of $103 million of new capital raised; in 2000 it was $1.2 billion. In the last year of Labor there were four venture capital funds—in other words, count them on the fingers of one hand—averaging $43 million; last year there were 42 and the amount was in fact doubled. Industry had come to a dead stop, but it has been very substantially revived by the current government, and we have introduced policies that are very much appreciated.

As we get closer to the end of the year, it is going to be a very stark contrast. People will not have forgotten readily the Toorak tractors, nor will they have forgotten the capital gains tax Labor introduced, which they were retrospectively going to freeze and use as an asset base, so all those pensioners and others who had modest assets were going to have to have them valued. What a success story that was! It was simply indicative of what Senator Kemp has said on a number of occasions: a high tax and spend party has to keep finding new taxes. So of course Labor over 13 years came up with a resource rent tax, Medicare levies, capital gains tax, fringe benefits tax, tax on super funds, broadening the company income tax base, the gold industry tax—dudding every consumer in Australia.

Opposition senators interjecting—

Senator ALSTON—But you did not have the courage to that, did you? So these were all your substitutes for that lack of political will, which you were all committed to in private but did not have the courage to stand up for in public. Let there be no mistake: the way the Labor Party are going, if they have any policies at all, the only way they are going to fund them is by adding to that very impressive list of new taxes. *(Time expired)*

Telecommunications: Spectrum Sale

Senator MARK BISHOP (2.21 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Given the importance of the 3G spectrum sale in bolstering the Costello budget bottom line, why hasn't prudent practice followed of not specifying any expected revenue from this asset sale, instead of the highly speculative and, as it turned out, highly inaccurate figure of $2.6 billion? Isn't it because the Howard government was so desperate to bolster a dodgy budget bottom line that outrageously speculative revenue figures were passed off as achievable, and wouldn't the ASIC come down hard on any business which tried such dodgy accounting practices?

Senator KEMP—Thank you for the question, Senator Bishop. Talk about dodgy practices! I recall in November 1995 a senior frontbencher of the Labor Party stood up and indicated that the budget was in surplus. Senator Cook, I am sorry to say, stood up in this parliament when the budget was running into a deficit of $10 billion and claimed that the budget was in surplus. Correct me if I am wrong, Madam President, but I do not recall Senator Cook ever getting up and saying sorry, apologising or correcting his statement.

I now turn to the question that Senator Bishop raised. The auction for the third-generation spectrum concluded on Thursday, 22 March, following six days of bidding, raising $1.17 billion. The amount raised in the auction was nearly $90 million above the reserve price set by the Australian Communications Authority. The outcome of the auction is a good result for Australian consumers, given the variety of telecommunication companies that were successful in securing a licence to provide 3G services.

There was a reference to the budget estimates. I make the point, Senator Bishop, that, as responsible governments do in these matters where a different range of factors present themselves, the budget estimates for the 3G auction were revised downwards. The Treasurer also made a comment on this matter and, time permitting, I might share it with the Senate. Failing that, Senator Bishop, if you would be kind enough to ask me a supplementary question I could complete it. The Treasurer, Mr Costello, was asked a very similar question on this matter and this is what he said:

> The spectrum proceeds are in relation to this financial year, not in relation to the next financial year. I notice that the spectrum auction tipped the reserve. The government has been constantly monitoring values and adjusting its estimates accordingly and the price that was achieved today was a little above what we thought it would be and that is why we set the reserve price where we did. The valuation in relation to spectrum has been revisited, and revisited on a couple of occasions.

That is the point I made earlier in my remarks, Senator. So there is not an issue of dodgy figures. It is not surprising that the Labor Party itself would refer to dodgy figures because the truth of the matter is that the former government—the Keating government and, before that, the Hawke government—was notorious for its dodgy figures. I know that was before your time and you presumably do not hold yourself responsible; but the pity is, Senator, as we run towards the next election, people are going to remember the performance of the former Labor government. They will remember, as I said in my earlier remarks, the very high interest rates which prevailed under the previous government. They will recall the very high taxes, the massive debt, the massive taxing and the massive spending.

Senator MARK BISHOP—I ask a supplementary question of Senator Kemp. Just who is responsible for including these bodgy figures in the budget papers? And can we be assured that whoever was responsible will not be involved in the preparation of the current budget?

Senator KEMP—Well, you try hard, you try to answer the question—a very rude question—but you try to answer it as politely and courteously as you can. It was quite clear that Senator Bishop did not listen at all to the response I gave to his question. He repeats claims of dodginess and the rest of it. I answered that in some exquisite detail, I thought. So the best I can do for you, Senator—assuming that you are not just trying to play politics but you are a seeker after information, which I doubt—is refer you to my

answer to the first part of your question, which you will find in *Hansard*.

Jabiluka: Mine Overflow

Senator ALLISON (2.26 p.m.)—My question is to the Minister for the Environment and Heritage. Is the minister aware that more than 17 megalitres of contaminated water from the Jabiluka retention pond has now being pumped into the mine decline? Did he approve that action? Has he also approved ERA's proposal to pump twice as much into the mine before the end of this wet season? Minister, what guarantees are there that this problem will be fixed before the next wet season?

Senator HILL—I have been briefed from time to time during the wet season. Of course, it is a second successive extreme season in relation to rainfall. In relation to Jabiluka, the advice I have been given is that the various systems that are in place for managing water are working well. To be a touch more specific, I am advised that there is no imminent risk of retention pond 2 overflowing or failing. During this wet season, the level of water contained in retention pond 2 at Ranger reached a depth where ERA is required to commence transferring water from the pond to pit 3. This depth, called the maximum operating level, is calculated such that the pond would not overflow or be at risk of failure in the event of a one in 100 year, three-day storm occurring.

The company, ERA, has commenced transferring water from retention pond 2 to pit 3, as required by procedures approved by the mine site technical committee, which includes the Office of the Supervising Scientist. If a one in 100 year, three-day storm commenced, the pond would not overflow or fail and the level of water in the pond would be reduced to below the maximum operating level within seven days. I am advised that an OSS officer has been visiting Ranger, undertaking routine monthly inspections. Retention pond 2 and its associated pumping infrastructure forms part of that inspection. Therefore, as I said, the water retention processes are working satisfactorily.

Senator ALLISON—Madam President, I ask a supplementary question. Minister, isn't it the case that the reverse osmosis unit put in last year to treat contaminated water is in any case not working? Exactly what measures has the federal government required ERA to put in place to treat and irrigate the water? Isn't it the case that this water will be more heavily contaminated when it is eventually pumped out of the decline; in fact, 600 parts per million? Minister, doesn't this make a mockery of the government's claim that Jabiluka is safeguarded against unusual events, given that February's rainfall was only 27 per cent higher than normal?

Senator HILL—The supervision is by the Office of the Supervising Scientist, which of course has, as a statutory authority, the independence that comes with that. The scrutiny is regarded as being the most comprehensive of any uranium mine in the world. It has recently been given a positive endorsement by the international scientific community through the world heritage process. So I think anyone who has a serious interest in this matter can be confident that matters relating to Jabiluka will be dealt with in a way that safeguards not only health but also the environment. Therefore, I would respectfully suggest that the honourable senator does not have anything to worry about in this particular instance.

Economy: Performance

Senator FAULKNER (2.30 p.m.)—My question is directed to Senator Hill representing the Prime Minister. Is the minister aware of Mr Howard's statement on 6 December 1995 when, as Leader of the Opposition, he said:

> But when you look at business investment, housing investment and domestic final demand, which are key determinants of growth, and certainly the key determinants of employment growth, the picture is a lot gloomier than what the government pretends. And that is not talking down the economy, it is telling the truth.

Minister, isn't it therefore the truth that the Howard government has presided over record high foreign debt of $301 billion or $15,000 for every man, woman and child; a record low Australian dollar of US48.9c; the first quarter of negative economic growth in 10 years; and a collapse in the housing industry? To use the Prime Minister's own

words, isn't recounting these facts just telling the truth?

Opposition senators interjecting—

The PRESIDENT—Order! On my left you will come to order.

Senator HILL—The truth is that under the Howard government policies this country has experienced a record period of economic growth and a record number of successive quarters of over 14 per cent—

Senator Cook—Under our policies: you have reaped the benefit.

Senator HILL—Let us get this clear. Senator Cook agrees that we have experienced in the last five years a record period of economic growth but he says credit should be given to Mr Keating. He says it is the Labor Party that put in place the policies that led to the economic successes of the last five years. So we are not quarrelling about the economic successes—that is an important concession—we are talking about—

Senator Faulkner—No, we aren't quarrelling about that.

The PRESIDENT—Order! Senator Faulkner has asked a question; Senator Hill is responding. If other senators have any contribution to make, there is an appropriate time at the end of question time.

Senator HILL—I am sorry, Madam President. Senator Faulkner is disagreeing with Senator Cook. I am saying that they should have a quiet talk after question time, because Senator Cook concedes—

Senator Faulkner—We are in perfect agreement.

Senator HILL—Don't stare him down! Senator Cook, your bullyboy tactics are well known but we did not know so much about what happens on the other side. Senator Cook is, Senator Faulkner, your deputy.

Senator Faulkner—A very good one too.

Senator HILL—He is a finance spokesman. When he was in government he said the budget was in surplus and it was only $10 billion in deficit!

But on this occasion Senator Cook has got it right; he has got it right in that we have had five years of unprecedented economic growth. He has got it wrong unfortunately when he gives credit to Mr Keating for that achievement, because he forgets that when his government went out of office it left a deficit of $10.3 billion, it left high interest rates and it left high inflation. It took a government with courage to get the economy back in order to achieve the gains that have occurred in the last five years. The gains came about through reining in the deficit. Fiscal policy that was fair but firm brought down interest rates to record low levels, brought down inflation and gave business the opportunity to grow and create some 800,000 new jobs. That is the record of the Howard government.

Opposition senators interjecting—

The PRESIDENT—Order! Senators on my left are shouting and are behaving in a disorderly fashion.

Senator HILL—It is true that the Howard government tackled some of the major economic challenges that the previous government did not have the courage to address. One was industrial relations, where we were able to free up the industrial relations system to give employers and employees the chance to deal together for mutual advantage. Secondly, we implemented taxation reform to get taxes off production so that we would be competitive with other nations.

Senator Sherry interjecting—

Senator Carr interjecting—

The PRESIDENT—Senator Carr, stop shouting.

Senator HILL—As Senator Sherry knows, practically every developed country in the world had already transformed its taxation system by taking taxes off production. And, yes, the US put state based sales taxes on instead. Not even the Labor Party here is suggesting that should happen. So the last five years has been a period of economic reform, one that has led to substantial economic growth and has benefited the Australian people through a large increase in jobs. There will be a time—there always is a time—when there is a downturn for some circumstance or another, and we are going through a period of some— *(Time expired)*

Senator FAULKNER—Madam President, I ask a supplementary question. Given the minister will not speak about the record high foreign debt, the record low Australian dollar and the first quarter of negative economic growth in 10 years, I ask the minister: isn't the Howard government currently playing the blame game, desperately searching for scapegoats on whom to blame its own mismanagement of the economy? Isn't it true that this government has blamed the Reserve Bank, Treasury, the Taxation Office, the US, Japan, the media and Kim Beazley and the opposition when what it ought to do is front up and admit it is the GST and its own economic mismanagement which is to blame for the downturn in the Australian economy? Forget the scapegoats; take the responsibility yourself.

Senator HILL—It was the economic goats on the other side that led to one million Australians being put out of work, and to 17 per cent interest rates. That is the alternative in this country: a Labor government that ran up $80 billion of domestic debt in its last five years in government. That is the alternative.

Honourable senators interjecting—

The PRESIDENT—Order! There is far too much noise in the chamber on both sides, and it is disorderly.

Senator Faulkner—Step up to the plate and take the responsibility yourself.

The PRESIDENT—Senator Faulkner, this is your supplementary question, and you ought not to be talking.

Senator HILL—Madam President, the importance of the GST is that it took taxation off production in order that Australian business can be competitive with practically every other developed nation in the world. Without our having the political courage to take that decision, Australian businesses are put at a competitive disadvantage. That is why this government did it; and all Australians must benefit. Without doing that, all Australians would be the losers. Furthermore, in circumstances where it is necessary to bring down— *(Time expired)*

DISTINGUISHED VISITORS

The PRESIDENT—I draw the attention of honourable senators to the presence in the Senate gallery of a parliamentary delegation from Mongolia. On behalf of honourable senators, I welcome you to the Senate. I trust your visit will be informative and enjoyable.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Gene Technology

Senator HARRADINE (2.39 p.m.)—My question is to the Parliamentary Secretary to the Minister for Health and Aged Care, and concerns very serious questions of cloning of human beings and the misleading of parliament. Is it not a fact that the Gene Technology Act's definition of a clone as 'genetically identical to the original' is scientifically incorrect and false, and renders inoperable the provisions banning cloning of human beings? In December, when I objected during the debate to the definition, you told me you were acting on advice. Has the government undertaken an inquiry as to why the NHMRC gave such patently false advice? Does the government intend to amend the legislation to make it operable, and how is it to do that?

The PRESIDENT—Senator, I understood you to be seeking to direct your question to a parliamentary secretary who may not be called upon to answer, but the question could be dealt with by the Minister representing the Minister for Health and Aged Care.

Senator HARRADINE—Thank you; my apologies. I direct the question to the Minister representing the Minister for Health and Aged Care.

Senator VANSTONE—Senator, the cloning of human beings is a matter of very serious public concern. It has received significant media attention both in Australia and overseas. The government has enacted legislation at the Commonwealth level, and is encouraging states and territories to also do so, to ban the cloning of human beings. The government has stated that the ban on the cloning of whole human beings in the Gene Technology Act 2000 is an interim measure until each state and territory has implemented appropriate legislation in this area. The term 'genetically identical', as used in the Gene Technology Act 2000, is the same

as that used in Western Australian, South Australian and Victorian assisted reproductive technology legislation. This works adequately in those states, since it is underpinned and clarified through additional, more specific, prohibitions.

The wording in the Gene Technology Act is a strong statement of the government's intention that the cloning of whole human beings will not be carried out in Australia. It is expected that further clarification of this intent will be provided. At the health ministers' conference in July last year, ministers agreed to ban cloning of human beings; and this is being pursued by each state and territory in a manner that complements the bans in other jurisdictions. The term 'genetically identical' has been deemed to be sufficient from a legal perspective. However, it has been criticised on some scientific grounds. For instance, the procedure that led to the cloning of Dolly the sheep and that is considered most likely to be used to clone a human being involves the nucleation of an ovum, which effectively removes most—that is, approximately 99 per cent—of the DNA or genetic material from the ovum. Senator, I think some of this is actually quite detailed. What I might do is—

Senator Harradine—I am interested.

Senator VANSTONE—You are interested. Okay, good.

Senator Schacht—Fax it to him.

Senator VANSTONE—No, I am not going to fax it to him. I will give it to him now, if he is happy. I just was not sure exactly how much detail the senator wanted at this point in time. The organelles known as mitochondria, a component part of the ovum but not within the nucleus, contain extranuclear DNA which contributes to the total genetic material of the ovum approximately one per cent. The mitochondrial genetic information remains common to the ovum donor and not to the nucleus donor. As all of the genetic material present in the embryo resulting from the procedure is not common to one individual, this procedure will not create a genetically identical individual. Secondly, during each cycle of cell division, the DNA contained within a cell, including both nuclear and extranuclear DNA, is replicated. Errors in this process, more commonly called mutations, mean that the copy of the DNA produced from this process is not an exact duplicate of the original. Hence, the product of cell division is not genetically identical to the cell from which it was produced.

The National Health and Medical Research Council has taken these and other issues into account and has facilitated a process to develop a framework through which each state and territory can implement complementary legislation to ban cloning of human beings, and will report back by the end of this month: that is the advice that I have, Senator. The broader issues relating to the use of cloning technologies are being addressed in the House of Representatives Standing Committee on Legal and Constitutional Affairs, which has undertaken extensive consultation. Both the Andrews committee and the NHMRC, on its consultation with the states and territories, are expected to report by the end of this month. Senator, if there are any aspects of your question not covered in that answer, I will refer them to Dr Wooldridge and ask for further and better information.

Senator HARRADINE—Madam President, I ask a supplementary question. This is a very serious question. I pointed out those things to the chamber last December—and I do not want you just repeating what I said then, which proved wrong what the government did. What the government did, on advice from the NHMRC, renders inoperable what this chamber did. This chamber was deceived by you, and you were deceived—

The PRESIDENT—Senator Harradine, your supplementary question?

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

Senator VANSTONE—It is understood by everyone in this chamber and even in the lower house—which is not called that without good reason—that this is a very serious issue. No-one is trying to make light of this, Senator. I can tell by the fact that you have raised your voice in asking a supplementary question, which you are not known to do, that you feel about these issues very, very deeply. Normally I have to turn my ear to hear what are you saying; I did not have to today. Senator, just personally, I tell you that I have not misled, and I do take some exception to that allegation. You are not known to light-heartedly throw allegations around. But as I have indicated to you, Senator, if you are not satisfied with the answer that Dr Wooldridge has here, I will refer your question to him and I will get you a further answer if Dr Wooldridge cares to offer one. I cannot do any more than that for you, Senator.

Advertising Campaigns: Government Expenditure

Senator FAULKNER (2.46 p.m.)—My question is directed to Senator Hill, the Minister representing the Prime Minister. Can the minister confirm that, according to research undertaken by ACNeilsen Adex, the federal government outspent the biggest companies in Australia on advertising during the year 2000? Does the minister recall that the Prime Minister has, on a number of occasions, admitted that poor communication was the reason for the government's defeat in Ryan and the coalition's slump in the polls? In light of the Prime Minister's admission, doesn't this mean that the government in the year 2000 has absolutely wasted more than $145 million on taxpayer funded advertising campaigns?

Senator HILL—It is important to properly inform the community in relation to government programs. I think a typical example is the program that was launched at the weekend in relation to young people and drugs. We have a major social problem that this government is seeking to address, and it is important to endeavour to take the community with the government on issues such as this. Advertising does cost money—television advertising in particular is very expensive—and there is nothing that we can do about that.

But in terms of advertising, as Senator Faulkner knows, there are guidelines that have been laid down—well established—that this government adheres to. Particular programs are subsequently audited and, generally speaking, as we have found in all cases, as I recall, the advertising has been in accordance with those previously published guidelines. So we do not apologise for that. Consistent with previous governments, we accept that there is a need, through paid communication from time to time, to inform the community in relation to government programs, particularly where there are circumstances in which action from the public is needed to achieve the best outcomes.

Senator FAULKNER—Madam President, I ask a supplementary question. Is it not true, Minister, that the government has as yet not responded to the recommendations of the Auditor-General, brought down in his report following the government's GST advertising prior to the 1998 election? Further, is the minister aware of the Prime Minister's statement on 3AW on 19 March this year, when he said:

> Where I have made a mistake, I say that, as I did in relation to petrol excise, it's a question of recognising that we have to redouble our efforts to explain the reasons for economic reform.

Does the Prime Minister's promise to redouble efforts to explain his policies mean that taxpayers should get ready to see a doubling of the amount wasted on public relations and advertising campaigns—money that would have been much better spent on developing and implementing decent policies in the first place?

Senator HILL—As I recall it, the advertising, the information campaign in relation to the GST, was found to be legitimate. So I am not too sure what Senator Faulkner—

Senator Faulkner—He didn't test the law; he brought down draft guidelines.

Senator HILL—As I understand it, the Auditor-General found the information campaign to be legitimate. That is what Senator Faulkner should have said.

Senator Faulkner—He brought down draft guidelines—

The PRESIDENT—Senator Faulkner, you are out of order.

Senator HILL—Each time this government commits itself to an information campaign, it is condemned by Senator Faulkner. But in some instances—take greenhouse gases, for example—that campaign is even called for by this Senate through its committee process, which includes members of the Labor Party. So the Labor Party says that the government has a responsibility to better inform the community through paid communications; and then, when the government does it, it gets condemned by Senator Faulkner. The government will not spend a dollar more than is absolutely necessary, but it does not apologise for using funds to properly inform the community in accordance with its obligations. *(Time expired)*

Goods and Services Tax: First Home Owners Scheme

Senator GIBSON (2.51 p.m.)—My question without notice is to the Assistant Treasurer, Senator Kemp. Will the Assistant Treasurer advise the Senate how the government's policies are benefiting the home owner, and particularly the first home owner? Is the minister aware of any endorsements of the government's economic management?

Senator KEMP—I thank Senator Gibson for that very important question. The policies of the Howard government have been good news for home owners and new home buyers. Since 1 July last year, first home buyers have been able to benefit from the $7,000 grant put in place as part of this government's tax reform package. On 9 March, the Prime Minister announced that the size of that grant would be doubled, to $14,000, for those first home buyers who signed a contract to build a new home on or before 9 March 2001. The initiative will remain in place until 31 December 2001. It is expected that this temporary measure will help the housing construction industry, which is now showing signs of recovery after the significant bring-forward of construction activity in the first half of 2000. I think it is worth noting the response from various industry bodies. The Housing Industry Association had this to say in a press release:

"The doubling of the First Home Grant to $14000 for first home buyers purchasing new homes represents a shot in the arm for the housing industry and the economy"

… … …

"Home builders, trade contractors and building material manufacturers, will be feeling much more confident about the outlook for the industry and will be encouraged to hold onto their workforces and apprentices. Great value deals will be out there for first home buyers" ...

It should be remembered that the announcement by the Prime Minister comes on top of two cuts in official interest rates since February. Home owners can now save up to $270 a month on a $100,000 loan as a result of the interest rate reductions which have occurred under the Howard government. As has been referred to a couple of times in question time today, one of the things the former Labor government was remembered for was its very high interest rate policy and the fact that home loan rates did go as high, at one stage, as 17 per cent. Again, there has never been any apology from one of the former Keating ministers for that appalling mismanagement of the economy.

This effectively represents a direct dividend as a result of the sound management of this government. Under Labor, as I said, interest rates peaked at 17 per cent, debt ballooned out to in the order of $96 billion and, as I think Senator Hill pointed out, the former finance minister Mr Beazley left a $10 billion budget deficit. Unfortunately, very little has changed. When Mr Beazley was asked recently how Labor could afford to cut taxes, increase spending and run bigger surpluses in the government, Mr Beazley responded:

If you don't have any policies, the issue of how you can afford them doesn't come up.

That was a statement by Mr Beazley, the Leader of the Opposition! This is the position of the Labor Party. They feel they have got no real policies and therefore they feel they have no obligation to tell us how they will pay for any programs at all. It is no wonder that when it comes to choice the

community will lack confidence in this Labor Party. *(Time expired)*

Unemployment: Regional Workers

Senator JACINTA COLLINS (2.56 p.m.)—My question is to Senator Hill, the Minister representing the Prime Minister. Is the minister aware of the Prime Minister's statement, in the context of just one of his many recent backflips, that 'people who are more likely to be vulnerable to the impact of reform are as far as possible cushioned'. If so, does the Prime Minister stand by the Treasurer's remarks in December 1999 that the best way to lower rural unemployment was to cut the wages of rural and regional workers? Is this what the Prime Minister means by cushioning the impact of economic change—actively cutting the wages of workers?

Senator HILL—As I understand it, real incomes have risen more under the Howard government than they did under the previous Labor government. So in actual fact not only is the Howard government responsible for 800,000 new jobs but it is also responsible for higher real incomes. That is something I would have thought even Labor would want to applaud. Labor can learn a lesson from that. The lesson Labor should learn is that if you, as a government, maintain sensible fiscal constraint—in other words you do not allow a domestic deficit of $10.3 billion; you do not allow debt to run up $80 billion in just five years of government—if you conduct your economy—

Senator Faulkner interjecting—

Senator HILL—Labor does not understand. The response to the honourable senator is: cut the empty rhetoric. It is the lesson of sound economic management. If you do not run up huge debts, you can have the benefit of lower interest rates, lower inflation and jobs growth. That is what the Howard government are all about, and we are pleased that we have been able to contribute to the creation of 800,000 new jobs in just five years. Secondly, if you adopt a more flexible industrial relations system there is a chance for both employers and employees to benefit. That has been demonstrated by the government as well, because not only are more Australians in work but more of them have done better. I guess it is not surprising that if you achieve 14 quarters of economic growth of over four per cent then most Australian will have benefited from it.

Senator Faulkner—You are not talking about the last quarter.

Senator HILL—It is true, as Senator Faulkner says, that after five years of continuous record growth we have had one quarter with a contraction of 0.6 per cent. That is true. How profound! But the important thing is that the fundamentals are sound because this government took the hard decisions early in its first term of office. It provided a foundation upon which record economic growth could be achieved. It provided the foundation for those extra 800,000 new jobs and it provided the foundation for real income growth for all Australians, significantly in excess of what they achieved under the previous Labor government. I thank the honourable senator for the question and I am sure Mr Howard would say that it is not a bad outcome.

Senator JACINTA COLLINS—Madam President, I ask a supplementary question. Further to my question, Minister, are you aware that the Treasurer said in the *Age* on 11 December 1999:

> When minimums are set, they are basically set for what is appropriate in a big business for somebody in Sydney or Melbourne, and I'm saying that's not necessarily appropriate for regional centres.

Just how does cutting the wages of rural and regional workers, as proposed by the Treasurer, help cushion them from the impact of economic reform?

Senator HILL—Labor still does not understand. The coalition stands for higher wages resulting from higher productivity. That is why this government made so much effort to get the economic fundamentals right. That is why this government took taxation off productivity—so that all Australians would benefit through employment, through jobs and through higher wages.

Opposition senators interjecting—

The PRESIDENT—Order! Senator Hill has the call to respond to Senator Collins's

question. Those of you who are shouting are behaving in a disorderly fashion and you know it.

Senator HILL—Look at the contrast with Labor and their 13 years in government. They achieved four quarters of negative growth. They achieved 'the recession we had to have'. They achieved one million unemployed. They achieved 17 per cent interest rates. Families and businesses failed under Labor because Labor could not manage the economy. This government has demonstrated in five years that it can manage an economy to provide increased employment and increased income for employees. That is what this government is all about. Madam President, I ask that further questions be placed on the *Notice Paper*.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Government: VIP Aircraft

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (3.02 p.m.)—On 8 March, Senator Faulkner asked me, in my capacity as Minister representing the Minister for Defence, some questions about VIP aircraft. I now provide him with further information in relation to those questions. I seek leave to have the questions and answers incorporated in *Hansard*.

Leave granted.

The document read as follows—

SENATOR FAULKNER asked Senator Minchin, as the Minister representing the Minister for Defence, without notice on 8 March 2001, Hansard, page 22563:

(1) Has the minister's attention been drawn to the reported remarks of the Prime Minister, concerning the need to replace the VIP aircraft fleet, consisting of two Boeing 707s and five Falcons.

(2) Minister, in light of the Prime Minister's concern for the crew of these aircraft, will you assure the Senate that all of these aircraft, including the 707 mid-air refuellers, will cease flying at the same time as the VIP aircraft are removed from service.

(3) Will the government ensure that no ADF personnel will be flying in aircraft described by the Prime Minister as 'almost dangerous'.

(4) Can the minister confirm now, or on notice, that the existing VIP fleet is expected to continue to be used by the Australian Defence Force for some years to come, in particular, because there are no replacement aircraft for the mid-air refuellers.

(5) Why did the Prime Minister use the safety argument for the withdrawal of the VIP fleet from service rather than the more reasonable arguments regarding age, noise levels and so on.

SENATOR MINCHIN—The Minister for Defence has provided the following answers to the honourable senator's questions:

(1) Yes.

(2) VIP services are currently provided by a fleet of five dedicated Falcon 900 aircraft, plus the ability to fit up to two VIP suites into any of the fleet of five Boeing 707 tanker/transport aircraft. The Falcon 900 aircraft will be progressively withdrawn and replaced with the new fleet of two International Special Purpose Aircraft (Boeing 737) in mid-2002 and three Domestic Special Purpose Aircraft (Challenger 604) in mid to late 2002. With the introduction of the new International Special Purpose Aircraft, the Boeing 707 will no longer be used for VIP operations, and the fleet reduced from five to four aircraft. The remaining Boeing 707 aircraft were to be retained in RAAF service and operated as air-to-air refuelling and transport aircraft until the introduction of new generation tanker/transport aircraft under Project Air 5402 in 2006. However, due to the increasing cost and length of major servicings being experienced by the Boeing 707 fleet, the RAAF is currently examining other options that would provide a level of interim tanker/transport capability. Funding for this interim capability is included in the Defence White Paper funding parameters announced by the government. This may allow for an earlier retirement of the Boeing 707s.

(3) As I indicated in my response on 8 March, the government would not want or allow its personnel to fly or operate equipment or aircraft regarded as dangerous.

(4) The fleet of Falcon 900 aircraft will be withdrawn and replaced by the new VIP fleet as planned. The requirement for air-to-air refuelling is a separate and enduring requirement that is currently fulfilled by the Boeing 707 fleet. Project Air 5402 is expected to deliver a new generation air-to-air refuelling aircraft to the RAAF from 2006. There are currently no air-to-air refuelling aircraft in production, but tanker aircraft are being developed based on the latest commercial passenger aircraft such as the Boeing 767 and Airbus 310/330.

(5) The Prime Minister was making the point that the increasing age of the aircraft is related to the safety of the Boeing 707 aircraft. Their age, and the greater demands this imposes on the maintenance of the aircraft, is affecting the availability of the aircraft for official duties. This is one of the reasons for the government leasing a replacement fleet.

Economy: Australian Dollar

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.03 p.m.)—I move:

That the Senate take note of the answers given by the Assistant Treasurer (Senator Kemp) to questions without notice asked by Senators Cook, Conroy and Bishop today relating to the economy.

As the American homespun philosopher Yogi Bear said, here we have deja vu all over again. What have we got? We have the Howard government engaging in the politics of blame shifting. We have heard the story. First of all, they said that the reason why the Australian economy was in trouble was that the American economy was slowing down. Then they said, 'Oops! Pardon me. The reason why the Australian economy is in trouble is that the Japanese economy is slowing down.' Then they said, 'Oops! Sorry again. The reason why the Australian economy is in trouble is that the Reserve Bank put up interest rates last year when it shouldn't have done so.' Then they said, 'Oops! Sorry again. The reason why the Australian economy is in trouble is that the Treasury has given the wrong advice.' Then they said, 'Oops! That was wrong. The reason why the Australian economy is in trouble is that the media has talked it down.' Finally, at the end of a long series of 'not my fault but everyone else's' by the Prime Minister, who claims to have been responsible for economic change in this country, they said, 'The reason why the Australian economy is in trouble is that the opposition is talking down the economy.'

Forget about the GST, which killed economic growth in Australia in the December quarter and knocked it down to negative 0.6 per cent. Forget about what the GST did to the building industry, when it dragged the level of economic growth in this country down, put a lot of building companies out of business and a lot of building workers out of work and reduced the total amount of building activity in Australia. Forget, too, about the changes to the economy, where the GST has pushed prices well above what the government forecast and the so-called compensation package of tax cuts has delivered well below what it promised. Remember the famous words: no Australian will be worse off because of the GST. You get a hollow laugh at any business gathering in Australia when you talk about the GST and who is worse off. Every Australian businessman knows that the BAS, the business activity statement, has bound them head and foot in red tape, made life harder for them and turned them into collectors for the tax office when all they want to do is conduct their own business. I am not even going to go to the question of what the government has done in ripping back the pension increases that pensioners are entitled to have.

This was the Prime Minister who, in opposition, ran around Australia in the so-called debt truck. Remember the debt truck? It broke down. It was a foreign truck, not made in Australia, but the Prime Minister ran around Australia to highlight the level of national debt. What was the level of national debt when he did that? It was $A185 billion. What is the level of national debt in Australia now? It is $A301 billion. Where is the Prime Minister's debt truck? We hear nothing about that. This is the Prime Minister who has presided over the Australian dollar trading at below 50c to the US dollar. It is a record low. It was trading at 48.9c just the other day. That is a record low for Australia. And the Prime Minister says that the fundamentals of this economy are right. Isn't the value of the Australian dollar one of the fundamentals upon which this economy is built?

Wasn't it the Treasurer who said that foreign markets express their valuation of the strength of the Australian economy by how they mark the dollar? What does he say now? He says, 'We have got a very competitive exchange rate.' He runs away from the facts. When John Howard was the Leader of the Opposition, he said, 'I am not talking down the economy by blaming the government for what I see as its economic woes.' I have got a series of quotes here—I do not

have time to read them—by John Howard on the ABC *AM* program on 6 December 1996 when he was Leader of the Opposition. What did he do? He talked down the economy at every point. He cannot have it both ways. He cannot blame us for 'truthing' about the economy and say we are talking it down when he in fact was—

Senator McGauran—Truth?

Senator COOK—That is right. We are telling the truth about it. We believe Australians are entitled to know the truth about it, and that is an obligation of the opposition. But I just make the point in passing: what hypocrisy! When he was the Leader of the Opposition, he went out deliberately to sabotage the position in the economy.

It comes down to this at the end of the day: the GST has put a great big heavy load on the back of this economy, slowed it down, pushed it into negative growth and made Australians worse off. The hollow laugh is that no-one would be worse off under the GST. The trouble is that no-one in Ryan believed it and no-one else in Australia believes it. *(Time expired)*

Senator CHAPMAN (South Australia) (3.08 p.m.)—Here we have the Labor Party—without any policies to present to the Australian community—again raising an inadequate debate with regard to the government's management of the economy. We need to put this in context, of course. We need to understand what happened when Labor was last in government some years ago and contrast that situation with the economy under the present government.

It is important to remind the chamber that under the Howard Liberal-National Party government Australia enjoyed 14 consecutive quarters of annualised growth of greater than four per cent before the most recent December quarter, which showed a mild decline. This is a remarkable economic performance, directly attributable to the sound management of Prime Minister Howard, Treasurer Costello and this government. It is something that the Labor Party has never achieved in government: not in its 13 years in office did it achieve a growth rate of that level over that extended a period.

As a consequence of that strong economic growth over that extended period, 800,000 new jobs have been created. Eight hundred thousand people are in work who would not otherwise have been in work had those policies not been pursued and that record not been achieved by the present federal government. That has resulted in unemployment falling from 11.2 per cent, as it was under the Labor government, to a current rate of 6.7 per cent. This is a dramatic improvement in the level of unemployment.

Let us not forget the situation of interest rates when Labor were in office. They peaked at 17 per cent under Labor. No wonder the economy was in the dire situation it was when Labor were in office. No small business—no business of any type—and no farm operation can survive effectively when they have to pay interest rates of 17 per cent. Those interest rates are now down to 7.3 per cent under the present government.

Another very important benefit of the Howard government's policies has been the increase in productivity. Productivity growth has remained high throughout the period of the Howard government. That has allowed strong real wages growth, so in real terms people are better off than they were under Labor, when there were real wage reductions. The so-called 'party of the workers' actually presided over an extended period of real wage reductions, with high inflation accompanying that. We have managed to develop and implement policies which have insured strong growth in productivity. That productivity has allowed real wages to increase so that employees are much better off. Real wages growth was of the order of 4.3 per cent over the year to December last year. As I said, a consequence of that productivity growth has been low inflation: a CPI growth of about 0.3 per cent for the December quarter.

That is the contrast between the present Howard Liberal-National government's record and that which transpired when Labor was in office. But let us also remember the legacy that Labor left, which this government has turned around. A $10 billion budget deficit was inherited. That has now been turned into a sustainable surplus—and a sur-

plus that has been evident in every year the Howard government has been in office, because of our prudent economic management and our good housekeeping.

When this government came to office, government debt was of the order of $90 billion. It increased by some $70 billion to $80 billion in just a few years of Labor government. The Howard government has repaid more than $50 billion of that net government debt in our five years in office, compared with that massive increase in government debt under Labor. That is recognised by the international financial community and it is another reason why the economy has performed so well over this five-year period and why interest rates have remained low. The ratio of public net debt to gross domestic product will have fallen from around 20 per cent of gross domestic product when Labor left office to 6.4 per cent in the current financial year. On top of all that, we have delivered the biggest tax cuts in Australian history: $12 billion of tax cuts. This government's management stands tall against that of the previous Labor government. *(Time expired)*

Senator SHERRY (Tasmania) (3.13 p.m.)—We can all reflect on the legacies and records of past governments. I recall that when Mr Howard was Treasurer in the Fraser government he—at the time of their defeat in 1983—left a government deficit of $22 billion in today's money.

Senator McGauran—In today's money.

Senator SHERRY—Twenty-two billion dollars, Senator McGauran. That is what the Treasurer of the day, Mr Howard, left in 1983. But let us deal with the issues of today, the difficulties that are fronting Australians, of which we have seen evidence in the last year, particularly. We have seen higher petrol prices. The Prime Minister promised that the GST would not increase the price of petrol. He clawed back 1.5c in GST revenue from higher petrol prices. Higher petrol prices are in part brought about by a lower dollar. The Prime Minister promised that the price of a glass of beer would not increase by more than 1.9c. It went up by 8c—again, because of the GST. We have had pensioners rightly very angry at the clawback of half the pension increase. We have had pensioners also very angry because they believe they were promised a $1,000 bonus and the majority of them got nothing like that.

Small business, who have become the new tax collectors in the Australian economy, have been slugged by the business activity statement paperwork and their cash flows have been throttled, all as a result of the introduction of the GST. National debt has gone from $170 billion six years ago to over $300 billion as of the last national accounts. That is $15,000 for every man, woman and child in Australia. The Australian dollar was valued at US70c when this government took office. It is now down to US49c. The recent quarterly national accounts show that the Australian economy hit the wall and declined by 0.6 per cent in the last quarter.

Mr Howard, the Treasurer, Mr Costello, and the Assistant Treasurer, Senator Kemp, ascribe the problems of the Australian economy to the so-called 'transitional impact'—the 'confidence-sapping annoyances'—of the GST. If you pick up the 500-page ANTS document, you will not find any reference to the so-called transitional impact of the GST that slugs pensioners and that slugs Australian motorists. You will not find any reference to the GST's slugging of small business. You will not find any reference to the increasing national debt. All we got from the Liberal-National Party was how great the GST was going to be for the Australian economy. Look at what has happened! Ask pensioners, ask motorists and ask people in small business about the impact of the GST on them and on the Australian economy. Many Australians who believed the government propaganda campaign that the GST was going to be good for the Australian economy—and I have been doorknocking recently and listening to their concerns—

Senator McGauran—Oh!

Senator SHERRY—Senator McGauran, those who are in small business or elderly and a pensioner have suddenly discovered that, when they assess the impact of the GST, they are worse off. They ask their neighbours, and they are worse off as well. They have rightly come to the conclusion that the propaganda line that the Liberal-National

Party ran, spending well over $100 million of taxpayers' money, along the lines that the GST was good for the Australian economy was a big lie. It was the big lie that you delivered to the Australian electorate. The GST has not been good for the Australian economy. Mr Howard blames the United States, he blames Japan, he blames the Reserve Bank, he blames the media, he blames the tax office and now he blames the Labor Party. Apparently, the Labor Party in opposition is responsible for all the problems confronting pensioners, small business, the national debt and the dollar. Apparently, the Labor Party is responsible. Apparently, the Labor Party should be out there selling government policies.

Senator Calvert interjecting—

Senator SHERRY—If you think that is the problem, Senator Calvert, move over. We will happily take the reins of government. If you think the problem is poor communications and the Labor Party talking down the economy then you seriously mislead yourself. The Labor Party have been telling the truth about the Australian economy. *(Time expired)*

Senator McGAURAN (Victoria) (3.18 p.m.)—Senator Sherry, we are not moving—

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

Senator McGAURAN—This time I will get it right, Madam Deputy President. I wish to say to Senator Sherry, through the chair, that we are not going to move over. You do not give up the reins of government to a useless mob on the other side with a poor track record. The Labor Party are going to have to win government. It is not a question of moving over. Isn't it typical? All they are interested in is getting into government. They want us to fall over so they can get in. Senator Sherry, you have to earn government and you have to win government. The first thing you are going to have to do, now we are getting closer and closer to an election, is put down some policy. The spotlight, post Ryan, is right on you. We are happy to debate, right up to election day, who should run this country economically, who should be the economic managers. We are delighted to have an economic debate, because we believe our record will always stand up to yours, and not just in the past. I will not even mention the past in the three minutes I have left. I am happy to mention the future. What is the vision of the opposition with regard to managing the economy? We do not want to even look at your past. We will take it from here.

What is the vision of the opposition with regard to managing the economy? Senator Sherry, you mentioned the Australian dollar, the national debt and the national accounts. Time does not permit me to rebut you on all those matters, but I will say this: you cannot introduce a fundamental change to the tax system, as we have, without some transitional difficulties. We have never doubted that, we have always said that, and you trivialise it and take the populist opportunity to exploit what is a massive tax change. Senator Cook talked about bringing truth to the economic debate. What could be more untruthful than Senator Cook, when the Labor Party were in government, standing up and denying that they had a deficit budget going into an election?

Senator Sherry—I thought you weren't going to deal with the past.

Senator McGAURAN—Correct. We have introduced a charter of budget honesty. The Reserve Bank has been mentioned. To put it in perspective, we are unlike the previous government, who boasted that they had the Reserve Bank in their pocket, so that the bank completely lost integrity—it was just told when to raise interest rates. It was our concern that that sort of corrupt economic management and control of the Reserve Bank be put to one side. We now have an independent Reserve Bank, thanks to this government. Without fear or favour, the Reserve Bank makes economic comments. The comments that it makes have to be put into perspective and not exploited as they have been.

The Reserve Bank spoke of the effect of the GST in regard to one area, which we concede, and that is the construction area in the housing sector. That is simply because there was a pre-GST rush on building to take certain advantages, and there has been a

slowdown. The government have responded to that. We have flexible policies. We have responded to the BAS difficulties; we have responded to the slowdown in the construction industry; and we have responded to the high prices in petrol—for what a government can possibly do in that area. But you cannot even put down a vision for the future. The spotlight is on you between now and the election in November sometime. It is now up to the opposition to start putting their policies and their vision for Australia on the table.

Senator MARK BISHOP (Western Australia) (3.23 p.m.)—At some time you have to take responsibility for your own actions and for your own activities. This government have been in power for almost five years. Perhaps in the first 12 months or even the first two years of their administration they were entitled to argue that they had inherited an economy, that there may have been some faults and that they were going to put in place appropriate policies that they thought might solve some of those problems. But after five long, hard years of government, you have to take responsibility for the consequences of your own action.

If there has been only one constant of this government over the last five years, it has been the decline in value of the Australian dollar from a true value of around 75c in early 1996 to less than 50c now. That has been the one constant in the last five years—the decline in our net worth as a nation, the decline in value of our currency. Over the last six months, if anything, that decline has accelerated.

At the same time as that decline, both relative and absolute, there has been an outrageous grab for revenue by this government. The Commonwealth take as a percentage of GDP is on the fast track to highest levels since Federation. The party of government—the party that proudly says it is for deregulation, privatisation, competition, small government and less regulation of business—has been the party responsible, over the last 2½ years, for the largest increase in net Commonwealth government revenues. The vehicle for that huge increase in revenue has been the goods and services tax, adding something in the order of $26 billion every year to Commonwealth revenues. That $26 billion GST rip-off by this government has had a number of consequences which now damage and harm permanently the Australian economy. Look at the consequences that appear in the press as a matter of daily record—as a daily event.

For the first time in 10 years the Australian economy has gone into negative growth. For the first time since Federation, literally millions of small businesses are unpaid tax collectors on behalf of the Commonwealth government. An out of touch government has foisted an unintelligible bureaucratic business tax collection system on millions of small businesses and hundreds of thousands of self-funded retirees around Australia. For the first time in living memory, large numbers of small businesses have had to borrow—to go to the banks and arrange additional credit—to pay their quarterly tax bill to their supposed friend, their own party, the Commonwealth government.

So the direct result of the GST is damage, closure and non-expansion of thousands of small businesses around Australia. Repeatedly, we are told that small business is the engine of growth of the Australian economy. Repeatedly, this government tells us that small business is the generator of additional employment in the Australian economy. Yet the tax monster of the government, the GST, is responsible for negative growth in gross domestic product; record high levels of foreign debt; a record low level Australian dollar; a collapse in the housing economy, in the building and construction industry, over the last six months; the largest revenue take by the Commonwealth government in the history since Federation; and, as I said at the outset, the first quarter of negative growth in 10 years.

And what is the government response to all of this damage? Does it promise to make the GST fair and equitable? Does it lay out policies to lift the tax burden from small business? Does it lay out policies to lift the dead hand of bureaucracy from thousands and thousands of small businesses around Australia? The answer to each of those questions is no, no and no. The only effort being

made by the Commonwealth government is to dodge the issue, to avoid the issue and to attempt to blame someone else—anyone else—for the policies they have imposed on this country and for the damage they are causing to the Australian economy. Look at the list of culprits over the last six months: the Reserve Bank, Treasury, the Australian Taxation Office, the United States and Japan. *(Time expired)*

Question resolved in the affirmative.

Gene Technology

Senator HARRADINE (Tasmania) (3.29 p.m.)—I move:

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

I do not know when I last took note of an answer to a question without notice, but I do so now because the matter of cloning human beings is extremely serious. There is also the issue of this chamber being misled. I make this point that I did not wish to reflect on Senator Vanstone personally when I said, 'You misled the parliament.' By 'you' I meant the government, on advice from the National Health and Medical Research Council. I was frustrated, and I apologise for that.

In the debate last December, I pointed out that to define a clone as being 100 per cent identical to the original is scientifically false. How could the National Health and Medical Research Council of Australia not know that? Of course they must have known that. It worries me that they have given advice to the government that was false and that they have given the state governments and the territory governments a view of the Australian Health Ethics Committee that was also false, so much so that the Chair of the Australian Health Ethics Committee had to repudiate what the National Health and Medical Research Council said. Bear in mind that, under section 8 of the National Health and Medical Research Council Act, there is a requirement for that body to observe the ethical guidelines that are presented by the Australian Health Ethics Committee. Far from doing that, the National Health and Medical Research Council are deliberately on a path of distinguishing between so-called reproductive cloning and so-called therapeutic cloning. They said that the Australian Health Ethics Committee had made that distinction. Let me read what the Chair of the Australian Health Ethics Committee, Dr Breen, said:

In fact, in the Cloning Report AHEC specifically rejected the distinction between so-called 'therapeutic' and so-called 'reproductive' cloning.

The government must tell the National Health and Medical Research Council to observe its functions under the act. There are some science technologists who want this distinction so they can clone embryonic human beings, keep them in existence for some time and experiment on them. Those human beings will not have a father and a mother. They will be at the sole discretion of the science technologists, who will own those embryonic human beings. That is a real tragedy. At least in the IVF area there are parents who have to give permission; with cloning it will be the science technologists who will own the embryo. The National Health and Medical Research Council is working behind the scenes to assist these science technologists instead of observing what the Australian Health Ethics Committee has declared in its guidelines. I will mention, too, that one of the excuses given for so-called therapeutic cloning is for stem cells to be extracted from—*(Time expired)*

Question resolved in the affirmative.

PERSONAL EXPLANATIONS

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Services) (3.34 p.m.)—by leave—I wish to make a personal explanation as I claim to have been misrepresented.

The DEPUTY PRESIDENT—The honourable senator may proceed.

Senator BOSWELL—Firstly, this would have been a very easy mistake to make. It was reported in the *Australian*, and I am sure there was no malicious intent. I will read what was written:

We now have to go back and reclaim our ground, reclaim our territory. We have put too much effort into rural Australia to surrender it to rely on preferences and backdoor deals with One Nation. I am pro-life, she is pro-abortion. I am against euthanasia, she supports it. I will point out the differences and let people know the National Party are builders and she is a destroyer ... I'm going to destroy the bastards.

I never said that; I was quoting what she said. I said:

I am pro-life; she is pro-abortion. I am against euthanasia; she supports it. I will point out the differences and let people know that the National Party are builders, and she is the destroyer. What has she said? What is her contribution to Australia? The contribution is, 'I'm going to destroy the bastards.'

I was quoting her. It was not a quote of mine. The position is quite clear, but it is very easy to make a mistake. I just wanted to clear that.

PETITIONS

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

Afghanistan: Human, Civil and Political Rights

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

The Petition of the undersigned shows that the Taliban have:

implemented a gender apartheid against the women of Afghanistan;

refused to allow Afghan women to work outside their homes, to earn income, and to access the Afghan society's education, health and other resources;

failed to respect Afghan women's rights to education, to safety and the sharing of public spaces, and to public mobility;

enforced veiling for women and have imposed a dress code policy against women;

and have failed to uphold the human rights of Afghan women and men as accorded to them under Islamic constitutional laws.

We, the undersigned, are deeply alarmed at the practices and policies of the Taliban against Afghan women and girls.

We therefore urge that the Senate should seek to allocate development assistance monies in support of Afghan women's education, skill building, capacity-building, health-related programs and other basic needs for civil society.

We further call upon the Government of Australia to use its good offices with governments of other nation states, with the international community, with the United Nations and with multinational corporations, to hold the Taliban accountable to uphold and respect the human, civil and political rights of Afghan women, girls and men.

We call upon the Government of Australia to urge these bodies to withhold recognition of the Taliban, access to the UN seat and donor assistance. We urge that economic transactions be conditional upon the respect of the Taliban towards the Afghan people and particularly the human rights of women and girls.

by **the President** (from 51 citizens).

Australian Broadcasting Corporation: Independence and Funding

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

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

i. the independence of the ABC Board;

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

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

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

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

by **Senator Bourne** (from 1,119 citizens) and

by **the President** (from 401 citizens).

Human Rights and Equal Opportunity Commission: Ms Bernadette Faure

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

That the petitioner is representing his daughter Bernadette Mary Faure on various matters in Australia which fall under the jurisdiction of the Optional Protocol of the International Covenant on Civil and Political Rights. The petitioner is

thus alleging the following violations on his daughter:

Article 2 paragraphs one (I) two (2) and three (3)(a)(b)(c)

Article three (3)

Article sixteen (16)

Article twenty-six (26)

Article nineteen (19) paragraph two (2).

The above violations are in addition to other violations under the domestic discrimination laws.

The Optional Protocol of the International Covenant on Civil and Political Rights became effective for Australia on 25 December 1991. The above violations are translated domestically as thus:

Violations by Centrelink:

Article 2 paragraph 1, Article 3, Article 16, Article 19 paragraph 2, Article 26

Violations by the Commonwealth Ombudsman:

Article 2 paragraph 2, (3)(a)(b)(c), Article 3 and Article 19 paragraph 2.

The petitioner on behalf of his daughter made representation/s to the Human Rights and Equal Opportunity Commission for the purposes of remedy. This agency has the jurisdiction and the duty of care to oversee the implementation of the International Covenant on Civil and Political Rights (except Article 17) in Australia.

Although the petitioner made representation/s to this agency a number of substantive weeks ago, it, whilst not dismissing the matter which in itself illustrates that the petitioner has, at the very least, a prima facie case, is nevertheless refusing to proceed with it. Further representation/s by phone and in writing were to no avail.

Your petitioner requests that the Senate should require the said Human Rights and Equal Opportunity Commission to proceed with the matter as in accordance with its charter (forthwith) to its final resolution.

by **Senator Bourne** (from one citizen).

Petitions received.

NOTICES

Withdrawal

Senator O'BRIEN (Tasmania) (3.36 p.m.)—At the request of Senator Evans, I withdraw general business notice of motion No. 849.

Presentation

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

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

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

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

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

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

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

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

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

Senator Ian Campbell to move, on the next day of sitting:

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

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

That the Senate—

(a) notes the announcement by Rio Tinto in the week beginning 18 March 2001 that it would not support mine owner Energy Resources of Australia's development of Jabiluka in the short term;

(b) advises the Government that it is unacceptable for this major mine site including retention dams, mine construction and associated works to remain in this state for any length of time; and

(c) calls on the Government to commence discussions with Rio Tinto immediately with a view to an early rehabilitation of the site and for it to be handed back to the traditional owners as soon as possible.

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

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Committee on the Environment and Heritage Legislation Amendment Bill (No. 2) 2000 [2001] and two related bills be extended to 4 April 2001.

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

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

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

That the Senate—

(a) notes that:

(i) there has been a decrease in the number of general practitioners who bulk bill, particularly in rural and regional areas,

(ii) increases in co-payments for pharmaceuticals have made medication less affordable for people on low incomes,

(iii) the abolition of the Commonwealth Dental Health Program has left public dental services unable to cope with the demand for treatment, and

(iv) these increases have resulted in people on low incomes, in particular pensioners, being unable to pay for the medical and dental treatment that they need; and

(b) calls on the Government to:

(i) act immediately to increase the rates of bulk billing,

(ii) restore funding to the Commonwealth Dental Health Program to reduce excessive waiting times for public dental treatment, and

(iii) implement a review of the combined effects of increased costs and co-payments for medical and dental services on people on low incomes.

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

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

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

That the Senate notes that—

(a) all forestry operations in Coupe LI 126C should be immediately halted due to breaches of the Forestry Practices Code 2000; and

(b) these breaches include:

(i) the hydrological survey was inadequate and streams in the coupe remained unidentified and have been significantly damaged,

(ii) insufficient buffer zones in side stream reserves where waterways have been identified,

(iii) the Mt Arthur Road has been inadequately constructed, leading to the increased likelihood of siltation problems in waterways;

(iv) extensive logging has been undertaken without sufficient data and study despite the fact that the threatened crayfish species *Engaeus Orramukunna* is present in the coupe,

(v) contamination of the water table with chemicals and fertiliser will result from the establishment of plantation operations, and that plantations will reduce the volume of water released from the catchment,

(vi) there are no machinery exclusion zones in Variation Area LI 126C, and

(vii) given the steep slopes and difficult nature of the terrain, the whole area should never have been initially approved for logging by Forestry Tasmania.

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

That the Senate—

(a) notes:

(i) the damage that New South Wales Australian Labor Party Government's industry policies have caused the town of Gloucester, following the announcement of 36 job losses at the

town's Dairy Farmers butter factory, and

(ii) that only 3 years ago, the town suffered 31 job cuts from the Boral Timbers sawmill, after the Carr Government bowed to pressure from city-centric lobby groups, under timber industry reforms;

(b) condemns the industry policies of the New South Wales Government, which have failed the town of Gloucester and, as a result, will have a direct negative impact on the town's school, small businesses and clubs;

(c) criticises the New South Wales Government for not following the path of the former Western Australian Government and installing a dairy assistance package, despite voting yes to deregulation, and its lack of interest in the recent job losses announcement by Dairy Farmers; and

(d) calls on the New South Wales Government to change its industry policies to better suit country Australia, which is struggling to survive a Sydney-centric state government.

Senator CALVERT (Tasmania) (3.36 p.m.)—On behalf of Senator Coonan and the Standing Committee on Regulations and Ordinances, I give notice that at the giving of notices on the next day of sitting Senator Coonan will withdraw business of the Senate notice of motion No. 1 standing in her name for 10 sitting days after today for the disallowance of Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2000 (No. 3), as contained in Statutory Rules 2000 No. 305. I seek leave to incorporate in *Hansard* the committee's correspondence concerning these regulations.

Leave granted.

The correspondence read as follows—

Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2000 (No.3), Statutory Rules 2000 No.305

30 November 2000

Senator the Hon Robert Hill
Minister for Environment and Heritage
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to the Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2000 (No. 3), Statutory Rules 2000 No. 305, that specify the amount of charge payable by a producer of uranium ore concentrates.

The Committee notes that these amendments reduce the amount of charge that is payable on 1 December 2000 by producers of uranium ore concentrates from 8.6456 cents per kilogram to 6.7463 cents per kilogram. The Explanatory Statement indicates that the amount of charge takes into account "the level of production for 1999/2000 relative to the Australian Safeguards and Nonproliferation Office's operating costs". However, no explanation is given for the decrease in the charge.

The Committee would therefore appreciate your advice on this matter as soon as possible but before 5 February 2001 to enable it to finalise its consideration of these Regulations. Correspondence should be directed to the Chair, Senate Standing Committee on Regulation and Ordinances, Room SG 49, Parliament House, Canberra.

Yours sincerely
Helen Coonan
Chair

Senator Helen Coonan
Chair
Standing Committee on Regulations and Ordinances
Australian Senate
Parliament House
CANBERRA ACT 2600

13 March 2001

Dear Senator Coonan,

I refer to your letter of 30 November 2000, reference Cttee/187/2000, to Senator Hill concerning the Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2000 (No. 3), Statutory Rules 2000 No. 305. The Committee has sought advice as to why these Regulations reduce the amount of the Uranium Producers Charge.

These Regulations are made pursuant to the Nuclear Non-Proliferation (Safeguards) Act 1987 and the Nuclear Safeguards (Producers of Uranium Ore Concentrates) Charge Act 1993, both of which are matters of my portfolio responsibility, and the Explanatory Memorandum for the Regulations clearly indicated that the Regulations were introduced on my behalf. The delay in responding is due to the fact that your letter was directed to Senator Hill, and I have only just become aware of the Committee's enquiry.

The Uranium Producers Charge was introduced as a cost recovery measure, to recover a proportion of the costs of the Australian Safeguards and Non-Proliferation Office (ASNO) for activities which the Government considered were of significant benefit to industry. The charge is exacted

on a per kilogram of production basis. The intention is that the charge will be adjusted each year, taking account of changes in production levels, to ensure that the revenue collected corresponds to these costs. Further background to the charge is given in ASNO's Annual Report.

Where the level of production increases, but there has been no commensurate increase in ASNO's costs, unless an adjustment is made there would be a windfall gain to revenue. Conversely, if there is a fall in production the charge would be increased to maintain revenue at the appropriate level. This is what was meant by the reference in the Explanatory Memorandum to taking "account of the level of production for 1999/2000 relative to the Australian Safeguards and Non-Proliferation Office's operating costs."

The charge payable in 1999/2000, 8.6456 cents per kilogram of uranium, was based on a total production of 5,413 tonnes. This resulted in revenue of $468,000. For the charge payable in 2000/2001 the applicable production level is 6,954 tonnes. ASNO's costs for the relevant activities remained largely the same. If the charge were not adjusted, the revenue. collected would be $601,000, representing a windfall gain of 28% relative to costs, an outcome clearly inconsistent with the principle of cost recovery. This Regulation, adjusting the charge to 6.7463 cents per kilogram, is intended to avoid this outcome.

In circumstances where the Committee's request for clarification had not been directed to me as responsible Minister, I am concerned that you have moved to disallow these Regulations. I trust that the information I have provided will enable the Committee to reconsider the matter.

Yours sincerely

Alexander Downer

Senator Helen Coonan

Chair

Standing Committee on Regulations and Ordinances

Parliament House

CANBERRA ACT 2600

15 January 2001

Dear Senator Coonan

I refer to your letter of 30 November 2000 regarding the Nuclear Non-Proliferation (Safeguards) Amendment Regulations 2000 and Statutory Rules 2000 No. 305 which relates to the amount of charge payable by a producer of uranium ore concentrates.

I am advised by the Australian Safeguards and Non-Proliferation Office (ASNO) that the decreased charge payable on 1 December 2000 relates to differences in annual production levels of uranium ore concentrates and the cost recovery mechanism utilised by ASNO. The Nuclear Non-Proliferation (Safeguards) Act 1993 provides for producers to pay an annual charge, prescribed by regulation, up to a combined maximum of $500 000. The current charge is a "safeguards fee" per kilogram of production. In November 1999 the fee was set at 8.6456 Cents per kilogram of contained uranium produced during 1998-99. Based on increased production levels for 1999-2000, the charge has been amended to 6.7463 cents per kilogram to cover ASNO's operating costs in relation to both the export of produced uranium ore concentrates and subsequent movements through the international nuclear fuel cycle. These costs remained relatively stable in each of the years 1998-1999 and 1999-2000. If you have any further queries please contact the Director-General of ASNO John Carlson on (02) 626 11911.

Yours sincerely

Robert Hill

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

That the Senate—

(a) notes:

(i) the recent closure by the Channel 7 Network of Australia Television,

(ii) the problems caused by the sudden closure of Australia Television for Radio Australia, which has piggy-backed into Asia and the Pacific on Australia Television's leased Palapa satellite service, and

(iii) the importance of both Radio Australia and a quality television broadcasting service for Australia in the Asia/Pacific region in terms of promoting Australia's political and economic interests and providing an independent news service to the region;

(b) condemns the Federal Government for its tardiness in selecting a provider to establish a television broadcasting service into the Asia/Pacific region since calling for expressions of interest to provide such a service in August 2000; and

(c) calls on the Federal Government to fast-track the establishment of an effective

television broadcasting service into the Asia/Pacific region as a matter of urgency, preferably by funding the Australian Broadcasting Corporation to provide that service.

Senator Sandy Macdonald to move, on the next day of sitting:

That the Senate—

(a) notes that the spread of foot and mouth disease in Europe, particularly in the United Kingdom and Northern Ireland, continues at a horrifying pace;

(b) acknowledges the pain, suffering and financial loss being felt by farmers, their families and their communities;

(c) understands and empathises with the incredible personal and genetic loss being inflicted on British agriculture; and

(d) requests that the President of the Senate write to the British Farmers' Federation expressing the Senate's heartfelt sympathy.

Withdrawal

Senator CALVERT (Tasmania) (3.39 p.m.)—On behalf of Senator Coonan, pursuant to notice given at the last day of sitting, on behalf of the Regulations and Ordinance Committee I now withdraw business of the Senate notice of motion No. 1 standing in her name for today. On behalf of the chair of the Select Committee on Superannuation and Financial Services, Senator Watson, I also withdraw general business notice of motion No. 838, proposing an amendment to the order of the Senate appointing the committee.

Presentation

Senator Ian Campbell to move, on the next day of sitting:

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

TEXTILE, CLOTHING AND FOOTWEAR STRATEGIC INVESTMENT PROGRAM

Return to Order

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.40 p.m.)—I table a document in response to an order of the Senate made on 1 March relating to the list of all firms having eligible textile, clothing and footwear activities which have been registered for the TCF Strategic Investment Program and which are therefore entitled to a grant under that program. I seek leave to incorporate a short statement relating to the return to order.

Leave granted.

The document read as follows—

In tabling the list, I draw the Senate's attention to the detail of the TCF (SIP) Scheme under which registration is no more than an indication of intention to claim a grant for the forthcoming year. Registration confers no other right than the right to make a claim for a grant. A claim may be made after the income year to which registration relates, and in turn, will be assessed in accordance with the requirements of the Scheme.

Registration is not an entitlement to a grant *per se* as that depends on a claim being made and having been assessed properly. It is only at the stage of having had a successful assessment that an entitlement to a grant arises.

I am aware of the concerns by some in the TCF industry that non-TCF entities are able to access grants under the Scheme. 1 understand that this is behind the order for return.

The Council of Textile and Fashion Industries of Australia (TFIA) and my Department are pursuing a strategy to ensure that there are no misunderstandings or unintended consequences about the operation of the TCF (SIP) Scheme.

This collaborative strategy, along with the assessment of claims under the Scheme, will provide the knowledge necessary to alleviate the concern held by some that non-TCF entities might be able to access grants under the TCF (SIP) Scheme.

In tabling this document I remind the Senate that the list of firms that have been registered for this year does not provide a sound basis for resolving this issue. To the contrary, it has potential to mislead as:

- firstly, it is no more than an indication of intention to claim a grant for the forthcoming year;
- secondly, it is an entity's particular activities that are recognised under the TCF (SIP) Scheme-not its general field of business; and
- thirdly, an entity's entitlement to a grant is determined on a range of requirements in the Scheme, including the eligibility of an entity's expenditure, as well as its sales of eligible products which will not be known with certainty until a claim and request for determination of a grant have been assessed.

The list, therefore, has inherent limitations if it is to serve as evidence of who will benefit from a grant under the TCF (SIP) Scheme.

NOTICES

Postponement

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

That general business notice of motion no. 851 standing in his name for today, relating to the reference of a matter to the Select Committee on Superannuation and Financial Services, be postponed till the next day of sitting.

An item of business was postponed as follows:

> General business notice of motion no. 852 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to the financial interests of the Minister for the Arts and the Centenary of Federation (Mr McGauran), postponed till 2 April 2001.

INFORMATION TECHNOLOGY: OUTSOURCING

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

That the Minister representing the Minister for Finance and Administration (Senator Abetz) provide to the Finance and Public Administration References Committee by 26 March 2001 the following documents relating to that committee's inquiry into the Government's information technology (IT) outsourcing initiative:

(a) a copy of the legal advice obtained by the Department of Finance and Administration from Phillips Fox, referred to in evidence at the public hearing on 7 February 2001;

(b) a record of documents generated by the Humphry Review and their current location;

(c) a copy of advice from KPMG on whether the IT outsourcing service contracts contained embedded finance leases;

(d) copies of the evaluation reports for IT contracts that have been let, with information identified as commercially sensitive 'blacked out' and providing the reasons for such claims;

(e) a copy of legal advice that the disclosure of evaluation reports to the committee may create a significant risk of litigation to the Commonwealth;

(f) a copy of a letter and attachments from the Minister for Finance and Administration (Mr Fahey) dated 20 January 1999 to ministers that gives further detail about the Office of Asset Sales and Information Technology Outsourcing's role in going forward with the implementation of the IT initiative and advice as to whether the letter was provided to the Humphry Review;

(g) details of the transition arrangements and the operation of the Office of Asset Sales and Information Technology Outsourcing (OASITO) for the next 6 months, including:

(i) arrangements with the consultants that OASITO previously had on the books,

(ii) who is to be retained,

(iii) precisely which contracts have been terminated and when, and

(iv) ongoing liabilities in terms of contract commitments after 31 December 2001; and

(h) copies of financial advice from PricewaterhouseCoopers, dated 26 May 2000, and Deloitte Touche Tohmatsu, dated 10 May 2000, on the methodology used to calculate savings.

DOCUMENTS

Tabling

The DEPUTY PRESIDENT (3.42 p.m.)—Pursuant to standing orders 38 and 166, I present a document as listed below which was presented to me on 20 March 2001, since the Senate last sat. In accordance with the terms of the standing order, the publication of the document was authorised.

The list read as follows—

Commission of Taxation—Report for 1999-2000—Corrigenda.

COMMITTEES

Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee

Additional Information

Senator CALVERT (Tasmania) (3.43 p.m.)—On behalf of Senator Ferris, I present a supplementary submission to the 16th report of the parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund, entitled 'CERD and the Native Title Amendment Act 1998'.

Superannuation and Financial Services Committee

Report

The DEPUTY PRESIDENT (3.43 p.m.)—I present the report of the Superannuation and Financial Services Committee entitled *The opportunities and constraints for Australia to become a centre for the provision of global financial services*, received on 22 March 2001. I also present related documents.

Ordered that the report be printed.

NORTHERN TERRITORY LEGISLATIVE ASSEMBLY RESOLUTION: TREATIES

The DEPUTY PRESIDENT (3.44 p.m.)—I present a letter from the Speaker of the Legislative Assembly of the Northern Territory, Mr Terry McCarthy, forwarding a resolution of the assembly calling for legislation to require that, before treaties can come into effect, they must be approved by the federal parliament after it has obtained the views of the states and territories. I also present a letter and attachments from the Chief Minister of the Northern Territory, Mr Denis Burke, who moved the motion for the resolution in the Northern Territory Legislative Assembly.

DELEGATION REPORTS

Parliamentary Delegation to India and Bangladesh

Senator CALVERT (Tasmania) (3.45 p.m.)—by leave—On behalf of Senator Lightfoot, I present a report entitled *An emerging South Asia—report of the Australian parliamentary delegation to Bangladesh and India, 12 to 24 November 2000*. I do not think it includes the cricket scores, but perhaps that is to be the subject of another report!

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2000-2001
APPROPRIATION BILL (No. 3) 2000-2001
APPROPRIATION BILL (No. 4) 2000-2001

First Reading

Bills received from the House of Representatives.

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

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

Bills read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.46 p.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2000-2001

In Appropriation (Parliamentary Departments) Bill (No. 2) 2000-2001, appropriations totalling $0.5 million additional to those made in the Appropriation (Parliamentary Departments) Act 2000-2001 are sought for recurrent and capital expenditures of the Parliamentary Departments.

The increases sought primarily relate to:

- funding for the Departments of the Senate and the House of Representatives for the Citizenship Visits programme; and
- the House of Representatives for holders of public office, along with performing the secretariat role for matters raised by the Auditor-General and the Joint Committee of Public Accounts and Audit.

I commend the Bill to the Senate.

APPROPRIATION BILL (No. 3) 2000-2001

Appropriation Bill (No. 3) 2000-2001 together with Appropriation Bill (No. 4) and the Appropriation (Parliamentary Departments) Bill (No. 2), comprise the Additional Estimates for 2000-2001.

In the Bills, the Parliament is asked to appropriate monies to meet essential and unavoidable expenditures from the consolidated revenue fund. These monies are additional to the appropriations made for 2000-2001 in Appropriation Acts (Nos. 1 and 2) and the Appropriation (Parliamentary Departments) Act, last Budget.

The additional appropriations in these three Bills total some $2,258 million; $1,879 million is sought in Appropriation Bill (No. 3), $378 million in Appropriation Bill (No. 4) and $0.5 million in the Appropriation (Parliamentary Departments) Bill (No. 2).

These amounts are partly offset by expected savings made against Appropriation Acts (Nos. 1 and 2) and the Appropriation (Parliamentary Departments) Act 1999-2000.

These savings, amounting to some $831 million in gross terms, are detailed in the document entitled "Statement of Savings Expected in Annual Appropriations", which has been distributed.

After allowing for prospective savings, the provisions represent a net increase of $1427 million in appropriations in 2000-2001, an increase of 3.3% on amounts made available through annual appropriations at the time of the 2000-2001 Budget.

It should be noted that the additional amounts included in the Bills relate only to expenses financed by annual appropriations, which comprise about 30% of total General Government expenses and capital appropriations. They do not include revisions to estimates of expenses from special appropriations.

This Bill provides authority for meeting payments or expenses on the ordinary annual services of Government. Details of the proposed appropriations are set out in the Schedule to the Bill.

The principal factors contributing to the increase are:

- $183m for the Australian Taxation Office to cover the increased cost of administering the GST, which arises largely from a higher than expected number of GST registrants;
- $20 million additional funding to the Australian Taxation Office to implement the new Business Tax arrangements;
- $66 million for the Sugar Industry Assistance Package;
- $18 million for the Photovoltaic Rebate Programme;
- $41 million for a commitment by AusAID to the Asian Development Bank;
- a transfer of $659 million from capital (reflecting a reduction in the Bill 4 estimate of $659 million) to departmental outputs and increased funding of $350 million, for the Department of Defence to meet increased non-cash expenses; and
- Around $230 million for the rephasing into 2000-01 of annual Administered Expense appropriations, of which the bulk is for the Department of Health and Aged Care ($137 million) for a range of annual administered programmes.

The balance of the amount included in Appropriation Bill (No. 3) is made up of minor variations in most departments and agencies.

I commend the Bill to the Senate.

APPROPRIATION BILL (No. 4) 2000-2001

Appropriation Bill (No. 4) provides additional revenues for agencies to meet:

- Expenses in relation to grants to the States under section 96 of the Constitution and for payments to the Northern Territory and the Australian Capital Territory;
- Administered expenses; and
- Equity injections and loans to agencies as well as administered capital funding.

Additional appropriations totalling $378 million are sought in Appropriation Bill (No. 4) 2000-2001. This is additional to the appropriations made in Appropriation Act (No. 2) 2000-2001 last Budget.

The principal factors contributing to the increase are:

- a $100 million loan to the Defence Housing Authority to assist the Authority in moving towards a more commercial capital structure;
- $45 million for the payment of the GST liability on all non-premium Games ticket sales by the Sydney Organising Committee for the Olympic Games;
- $42 million for a deferred loan payment (from 1999-2000 to 2000-01) towards the Syntroleum Sweetwater Investment Incentive;
- $21 million rephasing of capital expenditure for the Australian Customs Service from 1999-2000 to 2000-01; and
- $57 million to fund the supply of plasma to the Red Cross.

The balance of the amount included in Appropriation Bill (No. 4) is made up of minor variations in most departments and agencies.

I commend the Bill to the Senate.

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

CUSTOMS LEGISLATION AMENDMENT AND REPEAL (INTERNATIONAL TRADE MODERNISATION) BILL 2001

IMPORT PROCESSING CHARGES BILL 2000

CUSTOMS DEPOT LICENSING CHARGES AMENDMENT BILL 2000

First Reading

Bills received from the House of Representatives.

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

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

Bills read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.48 p.m.)—I table a revised explanatory memorandum relating to the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

CUSTOMS LEGISLATION AMENDMENT AND REPEAL (INTERNATIONAL TRADE MODERNISATION) BILL 2001

This package of three bills, the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000, the Import Processing Charges Bill 2000 and the Customs Depot Licensing Charges Amendment Bill 2000 provides a modern legal foundation for Customs management of import and export cargo.

It does so in four (4) ways:

1. by creating the legal framework for mandatory electronic reporting of cargo movements;

2. by making provision for compliance management that recognises the existing "one size fits all" approach is no longer appropriate to the many industry sectors which deal with Customs;

3. by improving controls over cargo and its movement; and

4. through creation of new cost recovery arrangements to support the changes to cargo processing.

Over the last five years, the volume of air cargo in Australia has grown by 59% and sea cargo by 48%.

This growth is forecast to continue.

In fact, industry predicts air cargo will increase by 37% and sea cargo by 18% over the next three years.

Accompanying this growth are new developments in cargo shipping and handling techniques to complement sophisticated supply chain management, including just-in-time processing demands.

International trade is harnessing the benefits of developments in information technology and so must Customs.

But, in facilitating the movement of international cargo, Customs cannot compromise its law enforcement role in relation to prohibited imports such as drugs and firearms, intellectual property rights and links with the role of the Australian Quarantine and Inspection Service (AQIS).

The Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill is the principal bill in this package and will amend the *Customs Act 1901* to allow for more contemporary methods of communication between Customs and the international trading community.

Use of open internet-based systems of communication with choice of interactive or EDI communication channels will be a feature of Customs new technology giving effect to this Government's commitment to the Information Economy.

For many traders, internet communication will be more cost-effective than using traditional EDI methods.

As I implied earlier, Customs will be employing a range of compliance management techniques.

The amount of information required, and the timing of receipt of the information, may be varied depending on the level of risk that a particular import or export consignment poses and a company's history of compliance in providing accurate information to Customs.

Such flexibility will save compliant importers and exporters both time and money.

This is reflected in reduced cost recovery charges that are outlined in the Import Processing Charges Bill 2000 and the Customs Depot Licensing Charges Amendment Bill 2000.

In relation to Customs community protection obligations to which I referred earlier, this pack-

age of bills establishes new reporting requirements for carriers bringing cargo into Australia.

Details of sea cargo must be electronically reported to Customs at least 24 hours prior to arrival in Australia and air cargo at least 2 hours prior to arrival.

Electronically reported pre-arrival cargo information provides Customs and AQIS with the ability to clear legitimate cargo quickly and stop high-risk cargo for closer inspection.

As a further protection against the importation of prohibited goods, those responsible for unloading ships or aircraft will be required to report what they have unloaded.

This information will be used to identify any surplus or missing cargo.

I'd now like to focus on new arrangements for the control and verification of export cargo that this bill will bring about.

Customs now has a greater role to play in the verification of cargo reported for export.

The reasons for this are three-fold.

First, exported goods are exempt from GST.

As such, it is necessary for information about exports to be provided accurately to Government so that appropriate input credits can be calculated.

Second, there is evidence that goods are being unlawfully diverted from export into domestic commerce as part of revenue fraud rackets.

Third, the export permits requirements of other Government agencies must be effectively administered.

Inaccurate export information or worse, no information at all, has the potential to encourage illegal activity and affects the accuracy of data being passed to the Australian Bureau of Statistics.

Material errors in trade data have consequential impacts on economic forecasting and Australia's international standing.

It is therefore in everyone's interest to improve the levels of compliance in relation to exports.

This bill introduces a number of measures that are aimed at achieving just that, including:

- prohibiting licensees of Customs warehouses from releasing prescribed goods for export until they confirm with Customs that the goods have been entered for export and export approval has been given; and
- a requirement that consolidations of certain goods for export (such as tobacco products and alcohol) must only be done at a prescribed place and that the operator of the prescribed place must confirm with Customs the arrival and departure of the goods.

To emphasise compliance with the new requirements for both imports and exports the bill introduces strict liability offences for breaches, with the option of issuing an infringement notice for an administrative penalty of 20% of the amount of the proposed maximum penalties.

The Government does not impose strict liability lightly.

Generally speaking, its imposition will involve consideration of whether a public welfare or public interest pertains.

In this case, the Government believes that it does for several reasons:

- Firstly, there is a significant risk to revenue if imports or exports are inaccurately reported. For instance goods wrongly described, in type or quantity, may result in underpayment of correct duty and GST, and
- There is a significant risk to our community if prohibited imports such as narcotics are not stopped at our border. Receipt of accurate and early reporting of cargo is essential for both Customs and Quarantine officers to better assess community protection risks and intercept high-risk cargo before goods move beyond border controls into domestic commerce.

The proposed controls and sanctions are designed around early identification and intervention of high-risk cargo. The vast majority of low-risk cargo will flow unimpeded.

The final element of this bill that I wish to emphasise is the revision of the powers of Customs officers to monitor compliance by industry.

These powers are a vital adjunct to the controls I have mentioned.

They have been drafted in accordance with the report of the Senate Standing Committee for the Scrutiny of Bills dated 6 April 2000 which examined entry and search provisions in Commonwealth legislation.

I stress that the audit powers set out in this bill can only be exercised with the consent of the occupier of premises and without that consent, only on the basis of a monitoring warrant issued by a Magistrate.

In concluding, I note that there has been a good deal of media comment in recent times suggesting that Australia is not encouraging the development of a knowledge-based economy or that it is falling behind others in its utilisation of information technology.

This bill further develops themes contained in the *Electronic Transactions Act 1999* and provides a

foundation for a new electronic era for managing cargo.

It demonstrates Australia's commitment to the innovative use of new technology to further Government objectives.

IMPORT PROCESSING CHARGES BILL 2000

This bill is part of a package of three bills, which also includes the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000 and the Customs Depot Licensing Charges Amendment Bill 2000.

This bill introduces new cost recovery arrangements to support the proposed changes to the management and processing of cargo that are set out in the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000.

CUSTOMS DEPOT LICENSING CHARGES AMENDMENT BILL 2000

This bill is part of a package of three bills, which also includes the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000 and the Import Processing Charges Bill 2000.

This bill introduces new charges in support of the simplified processes for amending Customs depot licences contained in the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000.

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

AUSTRALIAN RESEARCH COUNCIL BILL 2000

AUSTRALIAN RESEARCH COUNCIL (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2000

Consideration of House of Representatives Message

Messages received from the House of Representatives:

(a) returning the Australian Research Council Bill 2000, acquainting the Senate that the House has agreed to original Senate amendments Nos 4 to 7, and agreed to amendments made by the Senate in place of Senate replacement amendment No. 1 and the original Senate amendment No. 3; and

(b) returning the Australian Research Council (Consequential and Transitional Provisions) Bill 2000, acquainting the Senate that the House has agreed to Senate amendments Nos 1 to 3 and has agreed to the amendment made by the Senate in place of Senate amendment No. 4.

COMMITTEES

Migration Committee

Membership

The DEPUTY PRESIDENT—A message has been received from the House of Representatives notifying the Senate that Mrs Gallus has been discharged from the Joint Standing Committee on Migration.

ASSENT TO LAWS

Messages from His Excellency the Governor-General were reported informing the Senate that he had assented to the following laws:

Sydney Harbour Federation Trust Bill 2000

National Museum of Australia Amendment Bill 2001

Aboriginal and Torres Strait Islander Commission Amendment Bill 2000

Communications and the Arts Legislation Amendment (Application of Criminal Code) Bill 2000

Health Legislation Amendment Bill (No. 1) 2001

Workplace Relations Amendment (Tallies and Picnic Days) Bill 2000

Australian Research Council Bill 2000

Australian Research Council (Consequential and Transitional Provisions) Bill 2000

Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000

Defence Reserve Service (Protection) Bill 2000

Medicare Levy Amendment (CPI Indexation) Bill (No. 2) 2000

Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 2000

Therapeutic Goods Amendment Bill (No. 4) 2000

Environment and Heritage Legislation Amendment (Application of Criminal Code) Bill 2000

PIG INDUSTRY BILL 2000

In Committee

Consideration resumed.

The bill.

Senator FORSHAW (New South Wales) (3.50 p.m.)—I would like to make some comments at the outset of the committee stage of the debate on the Pig Industry Bill 2000 bill. Firstly, the amendments that I referred to in my speech on the second reading have now been circulated to the chamber and they are set out on sheet No. 2164. Secondly, I want to respond briefly to the comments made by Senator Woodley and the parliamentary secretary about our amendments. We were not in a position until this morning to provide a draft of our proposed amendments to the parties in the Senate. The reason for that is that we have been waiting for some time—indeed, up until late last week—to have access to important documentation associated with this bill, in particular the draft constitution of Australian Pork Ltd and also the final draft of the proposed contract between the Commonwealth and Australian Pork Ltd. I indicated in my speech on the second reading that we did have the opportunity of discussions with the industry and also some briefing from the government in the lead-up to the bill being introduced, but we did not get a real opportunity to have a briefing on the constitution and the draft until fairly recently.

As the Senate is aware, it has been a concern of ours for some time that this government and particularly this minister often proceed to introduce legislation in parliament and attempt to have it dealt with without all of the documentation being available. I refer in particular to such things as regulations and, in the case of this legislation and similar legislation for other industries, the proposed contracts and constitutions of the new corporations that are to be established. This was a problem we encountered in relation to horticulture and during the wool industry debate; and I believe that, if we went back through the records, there would be a number of others that we could make similar comments about.

It is important, in considering whether or not one can support the bill before the chamber, to have access to that material. As the minister himself has stated in his correspondence to the Scrutiny of Bills Committee, the particular and important provisions on how the new company will operate are contained not in the bill but in the contract. After I had the opportunity to come to Canberra last Thursday for a final briefing from the government on the final draft of the contract in particular, we decided to proceed with amendments that we had earlier indicated we were considering moving. Those amendments were really only able to the prepared in a draft form late last week and consequently were only able to be provided to Senator Woodley this morning. I am advised, Senator Woodley, that efforts were made to contact you and also that a copy of the draft amendments was faxed your office at about 11.40 a.m. Similarly, the government had a copy of the draft amendments at an earlier stage, and I can assure the Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry that the amendments that have now been circulated in the chamber are the same as were provided to the government in draft form earlier.

I now turn to our amendments. Madam Chairman, would it be appropriate for me to formally move the amendments at this stage?

The CHAIRMAN—Yes. Are you seeking leave to move Nos 1 to 3 together?

Senator FORSHAW—Yes, as they are interrelated amendments I seek leave to do that.

Leave granted.

Senator FORSHAW—I move opposition amendments Nos 1, 2 and 3:

(1) Clause 7, page 4 (after line 19), after the definition of ***Maternity Leave Act***, insert:

Presiding Officer means:

(a) in relation to the House of Representatives—the Speaker of the House of Representatives; and

(b) in relation to the Senate—the President of the Senate.

(2) Clause 11, page 11 (lines 3 to 9), omit the clause, substitute:

11 Declaration of industry services body

(1) If a funding contract has been made that provides for payments to be made to an eligible body, the Minister may, in writing, declare that body to be the industry services body for the purposes of this Act.

Note: Subsection 33(3) of the *Acts Interpretation Act 1901* provides for the repeal, variation etc. of instruments.

(2) A declaration under this section must specify the day on and after which the relevant body is to be the industry services body. That day must not be earlier than the day after the day, or the later of the days (as the case may be), that paragraph (3)(a) is complied with.

(3) The Minister must cause a copy of each declaration under this section to be:

(a) laid before each House of the Parliament or, if a House is not sitting, presented to the Presiding Officer of that House for circulation to the members of that House and tabling on the next sitting day, within 5 days after the declaration is made; and

(b) published in the *Gazette* within 14 days after the declaration is made.

(4) For the purposes of subsection (3), if a House has been dissolved and the newly-elected House has not met when a declaration is provided to the Presiding Officer, circulation to the persons who were members of that House immediately before the dissolution is taken to be circulation to the members of the House.

(5) To avoid doubt, the function of a Presiding Officer of receiving, circulating and tabling a declaration under subsection (3) is a function of the Presiding Officer for the purposes of the *Parliamentary Presiding Officers Act 1965*.

(6) The declaration is not invalid merely because it has not been published as required under subsection (3).

(3) Clause 12, page 11 (line 28) to page 12 (line 1), omit subclause (3), substitute:

(3) Subject to subsection (3A) , where the Minister gives a direction to the industry services body under subsection (1) :

(a) the Minister must cause a copy of the direction:

(i) to be published in the *Gazette* as soon as practicable after giving the direction; and

(ii) to be tabled in each House of the Parliament within 5 sitting days of that House after giving the direction; and

(b) the annual reports of the body applicable to periods in which the direction has effect must include:

(i) particulars of the direction; and

(ii) an assessment of the impact that the direction has had on the operations of the body during the period.

(4) Subsection (3) does not apply in relation to a particular direction if:

(a) the Minister, on the recommendation of the industry services body, determines, in writing, that compliance with the subsection would, or would be likely to, prejudice the commercial activities of the body; or

(b) the Minister determines, in writing, that compliance with the subsection would be contrary to the public interest.

I will briefly indicate what each of the amendments deals with. Amendment No. 1 is to insert into the definitions clause of the bill a definition of 'Presiding Officer'. That is necessary because the following two proposed amendments make reference to the presiding officer of each house. So amendment (1) would put in a definition that 'Presiding Officer' means, in relation to the House of Representatives, the Speaker of the House of Representatives and, in relation to the Senate, the President of the Senate.

The two important amendments are (2) and (3), which deal with the powers of the minister to make declarations and to issue directions. Firstly, amendment (2) would vary clause 11 of the bill. As it currently reads, clause 11 is very short and just says:

If a funding contract has been made that provides for payments to be made to an eligible body, the Minister may, in writing, declare that body to be the industry services body for the purposes of this Act.

Then there is a note which says:

Subsection 33(3) of the Acts Interpretation Acts 1901 provides for repeal, variation etc. of instruments.

We are proposing to replace that clause with a more extensive clause, which I will not read into the *Hansard*. I will just draw attention to the key points in the amendment. Basically it would require that, where the minister does make a declaration that a body or a company is to be an industry services body for the purposes of the act, the minister must then cause a copy of such declaration to be laid before each house of parliament or, if a house is not sitting, presented to the presiding officer of that house for circulation to members of that house and tabling on the next sitting day within five days after the declaration is made. That would be the first substantial requirement upon the minister: to lay a copy of the declaration before the houses of parliament. The second would be that it also be published in the *Gazette* within 14 days after the declaration is made.

That will, we believe, provide the sort of accountability and opportunities for the parliament which are lacking at the moment and to which the Senate Scrutiny of Bills Committee has drawn attention. I referred to this in my speech in the second reading debate. Indeed, I think I can say that this proposed amendment is along the lines of that which was agreed to by the Senate to be inserted into the bill dealing with the restructuring of the horticultural industry.

Amendment No. 3 proposes to amend clause 12, which deals with ministerial directions to industry services bodies. This amendment would insert a new subclause 3, which would provide—and I am summarising again here—that the minister must cause a copy of the direction to be published in the *Gazette* as soon as practicable after giving the direction and, secondly, that it be tabled in each house of the parliament within five sitting days after the giving of the direction. Further, the annual reports of the body—in this case, the company—should contain references to the particulars of the direction made by the minister and an assessment of the impact that the direction has had on the operations of the body or the company during that period.

I covered the arguments in favour of the amendments during my remarks in the second reading debate and I would hope that the government, now that they have had an opportunity to consider them, would agree to them. Hopefully, Senator Woodley can see the merit of what we are doing and agree also. As I have said, this continues a similar approach to that which was adopted in regard to earlier legislation, particularly in regard to the horticulture bills. I also indicated in my speech in the second reading debate that there were some other issues on which we—and I believe other senators also—would seek clarification, but possibly I can leave that to another intervention during the debate.

Senator WOODLEY (Queensland) (4.02 p.m.)—I have considered the amendments that are before us and I have also taken some advice. I certainly am listening very carefully to the debate. The Democrats are inclined to support the amendments, given that they seek to give the parliament more scrutiny over the actions of the minister, and the Democrats always support that. I would point out that the Democrats have not on this occasion moved an amendment that we move in most of these cases to seek greater accountability on the part of these kinds of bodies; an amendment my colleague Senator Murray has moved and spoken to on many occasions. One is almost tempted to say that we should consider that amendment along with these, but I do not think I want to hold the chamber up to that degree. Also, I must say that, having moved that amendment and had it defeated 17 times, it probably would not have succeeded on this occasion. However, it is a much better amendment than the one proposed by the opposition; it is much more comprehensive and goes to the competency of boards and the like.

I think that these particular amendments do have merit. I understand that the industry is happy with them. Therefore, I indicate that the Democrats will support the amendments. However, I do have a question for Senator Forshaw. Senator Forshaw, in your amendment No. 3, subsection (4), it says:

> Subsection (3) does not apply in relation to a particular direction if:

Then you have two escape clauses. It seems to me that those escape clauses almost neutralise or negate the intention of your amendment, because I cannot think of much that would be outside the 'commercial activities of the body' or 'contrary to the public interest'. It seems to me that that is a pretty wide escape clause that you could drive a train through, if you wanted to. You have tried to tie the minister down and then you have given him a tunnel through which to escape. You might like to consider that and, if you can convince me otherwise, that would be good. I am not inclined to want to omit that subsection or do anything about it; I just want to draw attention to the fact that it seems to be a pretty wide escape clause for the minister, if he wanted one.

Senator FORSHAW (New South Wales) (4.06 p.m.)—Senator, the existing clause 12 of the bill states:

> The Minister must cause a copy of a direction to be laid before each House of the Parliament within 15 sitting days of that House after the direction is given, unless the Minister makes a written determination that doing so would be likely to prejudice:
>
> (a) the national interest of Australia; or
>
> (b) the body's commercial activities.

Our amendment strengthens the provisions which deal with the requirements on the minister to table the copy of the direction in the parliament, to publish it in the *Gazette* and to also have it included by the company in their annual reports. But we have retained that proviso that is in the government's bill that, in those limited and exceptional circumstances, the minister may not have to comply with that requirement, clearly, if it were seen to prejudice the commercial activities of the company or was contrary to the public interest.

I understand the point that you are making, but what we did not want to do was remove totally the proviso that there could well exist certain circumstances—we would see them as very unique, and not circumstances that would arise every day—where it may be against the company's interests or against the national interest for that requirement to have to be met. The parliamentary secretary might wish to comment on this, but one of the situations that was referred to in the correspondence from, I think, the minister to the Scrutiny of Bills Committee was that where, for instance, the situation was that our international relations or diplomatic relations with another country were affected by some issue and certain directions were given to the company, it might not be in our own national interest nor in the company's interests to require that to be tabled in the way in which it otherwise would be.

I do not think I can add anything more to that. But here, Senator, it has to be recognised that, as I understand it, for the minister to be satisfied one would assume that, particularly in regard to, say, the commercial activities test, the company would have to convince the minister that such a request was reasonable. I can well envisage that in those circumstances opportunities would arise for senators of the parliament to test those issues and whether or not the minister had exercised his discretion appropriately, through the processes that are available to the Senate—particularly, say, through the committee procedures, the estimates procedures or whatever.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.10 p.m.)—The government is disposed to accept these amendments. The government would have maintained that there was a sufficient level of parliamentary scrutiny in the original legislation, but certainly this extends the degree of scrutiny that has happened. It is indeed unusually far-sighted of the Labor Party to include a clause so that the commercial activities of the body would not be prejudiced and so that, if the public interest were involved, that should be taken into account too. So the government would also agree to the amendment.

Senator FORSHAW (New South Wales) (4.11 p.m.)—I would add one further comment that has just been drawn to my attention; I should have made this comment earlier. If you look at our proposed subclause (4) in amendment No. 3, it reads:

> (4) Subsection (3) does not apply in relation to a particular direction if:

(a) the Minister, on the recommendation of the industry services body ...

That is an additional requirement. Under the current proposal in the bill, effectively the minister can make the determination himself or herself. We are strengthening that, we believe, by saying that the minister has to act effectively on the recommendation of the company in those circumstances.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.12 p.m.)—Perhaps I could, through you, Mr Temporary Chairman, also say to Senator Woodley: I do note your forbearance in not moving your amendment for the 18th time.

Amendments agreed to.

Senator FORSHAW (New South Wales) (4.12 p.m.)—Can I raise one further matter on which we would seek some clarification from the parliamentary secretary? One of the issues that we have a concern about is that the bill sets out the procedures—and we have just amended them—whereby the minister can declare the company or a company as the industry services body. The bill does not set out the corresponding procedures whereby the minister might revoke or suspend such a declaration. This is again an issue that senators will recall was touched upon in debates on other legislation. For the contract, clause 2 is the clause that deals with term and operation of the agreement, and you then go to clause 16. Clause 16 deals with termination and recovery. Particularly I would draw attention to 16.2 of the draft contract, which I understand has been provided to parties in the Senate—certainly, it was provided to the opposition. It states—and I will read it into the record:

Subject to this clause 16, if:

the Company is in breach of any obligation or warranty under this Agreement and the company has not commenced steps reasonably acceptable to the Commonwealth to rectify the breach within 14 days of receiving notice of the breach;

the Company fails to comply with the direction given to it by the minister under section 12 of the Act; or

an Insolvency Event occurs;

the Commonwealth may, by giving notice in writing to the Company, terminate this Agreement from a day specified in the notice, which day must be a day on or after the day on which the notice is given.

That clause clearly gives the Commonwealth the right to terminate the contract. In his second reading speech, Minister Truss stated:

If the company changes its constitution in a way considered unacceptable by government, becomes insolvent, or fails to comply with the legislation or contract, the Minister for Agriculture, Fisheries and Forestry has the ability to temporarily suspend or terminate the payment of statutory levies to the company or rescind his declaration of APL being the industry services body.

Going back to the bill, the bill actually has a note in clause 11—and I referred to this earlier—which says that subsection 33(3) of the Acts Interpretation Act 1901 provides for repeal, variation, et cetera, of instruments. Our concern has been that, whilst there is a procedure laid out in the bill as to how the minister can make a declaration that the company is an industry services body, and there are certain requirements placed upon the minister—such as tabling a copy of the declaration in the parliament and publication in the *Gazette*—there is no corresponding procedure set out in the bill in circumstances where the declaration is either suspended or revoked: where, in other words, the company ceases to be the industry services body. It would be a very serious situation if the minister decided that he or she had to take that step. It would have a significant impact upon the industry and certainly upon the company. We hope that never occurs, and I am sure that people in the industry also hope that never occurs. Nevertheless, that is a power that the minister has. We were of the view that possibly the procedures to cover those circumstances should be set out in the legislation in the same way as the procedures when the declaration is made are set out.

However, we have been advised—and I would like the parliamentary secretary to respond to this—that that is not necessary because the Acts Interpretation Act takes care of everything. We have been told that we do not have to worry; that it is all okay under the terms of the Acts Interpretation Act. We want to ensure that, just as the minister is responsible to the parliament when he or she makes the declaration to appoint the

company as the industry services body, the same tests and the same responsibility to the parliament would apply if the minister were forced to act to revoke that declaration and take those responsibilities away from the company. Perhaps the parliamentary secretary could respond to our concerns and, hopefully, give us some assurances that the procedures will be followed in those circumstances.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.19 p.m.)—Clause 16.2 of the contract states, as Senator Forshaw has said:

> If the company is in breach of any obligation or warranty under this agreement and the company has not commenced steps reasonably acceptable to the Commonwealth to rectify the breach within 14 days of receiving notice of the breach, or (b) if the company fails to comply with the direction given to it by the minister under section 12 of the act, or (c) if an insolvency event occurs ...

I do assure Senator Forshaw that there is provision under section 33(3) of the Acts Interpretation Act that the declaration made by the minister can be revoked in the same manner as it was declared—that is, that the Acts Interpretation Act automatically applies and that a revocation of the declaration would require the same process: tabling and gazettal.

Senator O'BRIEN (Tasmania) (4.20 p.m.)—Just very briefly, a matter has been raised with me which I think appropriate to raise at this stage of the debate. It relates to the final draft of the contract between the Commonwealth and Australian Pork Limited, which has been supplied to the opposition by the government. I understand that the issue, which is of some concern, arises from paragraphs 5.3 and 5.4 and associated parts of the contract—indeed, it ultimately goes to the matter that Senator Forshaw raised. The Senate committee inquiring into the response to the AQIS draft import risk assessment on the importation of New Zealand apples raised an issue of whether activities conducted in that area by the research body appropriate to conduct scientific work on a draft import risk assessment would be defined as 'agripolitical activity'.

I note in 5.3 and 5.4 that, notwithstanding the definition in the contract of 'agripolitical activity', there is a degree of subjectivity in the interpretation—and I mean by that that, if any director of the company is of the opinion that the activity might constitute agripolitical activity, certain obligations are placed on the company. Firstly, can we be assured that circumstances such as pursuing further scientific advice, for example in response to a draft import risk assessment, would not be 'agripolitical activity'? It does not seem to be comprehended in the definition which appears in the final contract at page 2. Can we be assured that that sort of activity would not be 'agripolitical activity'?

Secondly, in the case where there is an activity which does not fall specifically within the definition of agripolitical activity in clause 2 but there is a disagreement between the minister and the company about whether that activity is one which is in connection with agripolitical activity, can the minister initiate action under the provisions of clause 17 of the contract—for example, termination and recovery—because the minister believes it is in connection with agripolitical activity even though the company is not of that view?

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.24 p.m.)—I would like to say to Senator O'Brien that I make a distinction between the term 'agripolitical activity'—which I will define in a moment as it is defined in the contract—and strategic policy development. This company, under the definition in the contract, will be encouraged to pursue, and will be responsible for ensuring that it pursues, the relevant scientific advice and contributes to the process of developing the policy. This company, among its other roles, is responsible for representing the voice of industry to government. That means that it will no doubt collect information from a range of sources, including through consultation within the industry and with other industries, government, other stakeholders or the public. It will also make a balanced analysis of that information in the context of the industry environment. It may well develop a strategic policy position

within the industry and it may then proceed to advocate that position within the industry, with other industries, with the government, with other stakeholders or with the public.

There is a distinct difference between that strategic policy development and agripolitical activity. The contract quite properly restricts the company from using public and industry funds for inappropriate political purposes. Within the contract, agripolitical activity is defined as:

... any activity intended by the company to exert political influence on government, to advantage one political party or political candidate over another, and it includes but it is not limited to the following activities:

(a) funding and making donations to a political party, member of parliament or candidate for parliament,

(b) advertising or funding advertising that supports or opposes a political party, member of parliament or candidate for parliament,

(c) developing, designing, participating in or funding a parliamentary election campaign or other party political campaign, or

(d) recommending or advising through whatever media how persons should vote at a parliamentary election.

If any director is concerned that there may be an overlap between those two areas of activity—in other words, that a particular issue may be agripolitical in nature within that definition—then the chair is required to consult with the minister. In any case, as I said in my second reading speech, the chair is encouraged to seek a consultation with the minister every six months to consider industry issues of significance, and no doubt this would come up during that. Those requirements and limitations on agripolitical activities are not designed to put the minister in a position of interfering with the running of the company, but the arrangements recognise that the minister is responsible within the executive of government for the administration of that contract and the accountable use of the levy and public funds paid under the contract.

These arrangements give the industry the opportunity to manage its own affairs, as we have already said, but, because the Commonwealth assists in collecting a statutory levy and there are other Commonwealth matching funds, the company recognises through the contract—and this has industry agreement—that it has a responsibility to account for the expenditure of those funds. It also recognises the minister's responsibility to ultimately be accountable to the parliament and to Australian taxpayers. The chair may therefore go to the minister and ask his opinion or put the point of view as to whether this is an agripolitical point, but if the company decides that it does not accept the minister's point of view—as it is entitled to do—then it does so recognising that there may be a breach of the contract and the other consequences would follow.

Senator O'BRIEN (Tasmania) (4.29 p.m.)—Thank you for that answer. I do not wish to detain the Senate extensively on this matter, but could I just have some clarity about what the phrase 'or in connection with the activity' means in 5.4. It is a very broad term, often used in law as some sort of broad net to catch activities not contemplated. I can imagine that this may well still be a matter of contention between Australian Pork Limited and the government, but perhaps it would be of assistance if the parliamentary secretary would give us some insight into how the phrase 'or in connection with the activity' might be read. For example, they cannot spend any funds on agripolitical activity by the company or by any other person but, if they were spending funds on something, what sort of connection would have to be established between the activity of another person for it to offend this provision of the contract?

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.30 p.m.)—I am advised that, for instance, paying a third party to do the work on its behalf would be prohibited under the contract. That would then establish that sort of connection. In closing, I wish to make the point to the opposition that the documents have been provided as you have requested them. I do want to make that point. Requests for such material always tend to come very late in the scheme of things, and I do wish to assure the Senate that the Department of Agriculture,

Fisheries and Forestry, the minister's office and my office have been very cooperative in providing those documents and briefing material.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Bill (on motion by **Senator Troeth**) read a third time.

TREASURY LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2001

Second Reading

Debate resumed from 7 March, on motion by **Senator Heffernan**:

That this bill be now read a second time.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (4.32 p.m.)—The main purpose of the Treasury Legislation Amendment (Application of Criminal Code) Bill 2001 is to harmonise the criminal offence provisions contained in certain legislation administered by the Treasurer with the general principles of criminal responsibility set out in the Commonwealth criminal code. The bill amends a number of acts: the Financial Sector (Shareholdings) Act 1998, the Foreign Acquisitions and Takeovers Act 1975, the Insurance Act 1973, the Insurance Acquisitions and Takeovers Act 1991, the Life Insurance Act 1995, the Prices Surveillance Act 1983, the Productivity Commission Act 1998, the Retirement Savings Accounts Act 1997, the Superannuation Industry (Supervision) Act 1993 and the Trade Practices Act 1974.

To the extent that this bill makes it easier for the readers of the laws to determine liability and for regulators to enforce the law, Labor supports this bill. I note this bill does not change any offences; it merely clarifies the nature of the offences. However, this government also needs to support ASIC and APRA so that they can properly enforce the law. In the last week I have been sitting on a Senate committee of inquiry and receiving submissions at my electorate office, and the point was made by a number of constituents that they believed the nature of the law was fine but ASIC's ability to enforce it was questionable. They raised what I think is a plain person's view of the law: what is the point of having good law if there is no-one around to enforce it and the law does not become real and does not actually govern behaviour? I say amen to that. For example, the recent news on HIH is devastating and in part reflects the government's lack of commitment to ensuring that the regulators have the powers and resources to do their job. The level of disclosure—or, more correctly, the lack of disclosure—by directors of HIH over a significant period of time preceding the appointment of a liquidator should have been able to be addressed by the regulators much earlier.

A secondary objective of this bill is to amend the Corporations Law to correct for changes in the location and format of provisions dealing with the criminal consequences for contraventions of the civil penalty provisions made by the Corporate Law Economic Reform Program Act 1999. In the House of Representatives, Labor moved an amendment to section 300A of the Corporations Law. The section requires companies to disclose in the annual report details of the way in which executives are remunerated. In our view, the government should have moved much earlier to rectify this obvious typographical error and to assist in achieving the very good objectives of the provision. They should have corrected section 300A at the same time as they made the other corrections to the Corporations Law. The government, however, only reluctantly agreed to the insertion of section 300A when the Company Law Review Bill 1997 was being debated. Since then, we have seen an escalation in the remuneration of chief executive officers of companies and some directors. In too many cases, these remuneration packages have not been properly disclosed, the value of the share options has not been disclosed and the performance criteria have not been specified and disclosed.

Shareholders are entitled to know by how much and how management are being rewarded. After all, management are only the agents of shareholders and they must be accountable to the shareholders. That some

chief executive officers are not mindful of this is exemplified only too clearly in the case of One.Tel. One.Tel directors Mr Keeling and Mr Rich—no pun intended—were each paid $7.5 million last year even though the company lost $291 million. Expounding matters, those remuneration arrangements were not, at least initially, properly disclosed to shareholders.

In our view, the government is concerned only with the big end town—and most recently the Prime Minister proved that by waving around a survey of what chief executive officers said in approval of him. To require the disclosure of the full cost of remuneration packages and the criteria upon which such packages are justified may be uncomfortable for some CEOs but is essential information for shareholders of companies. This government, rather than offend or disrupt their mates, will ignore the rights of shareholders—many of whom are now everyday, working or retired Australians. I hope that the amendment to section 300A, moved by Labor, will remind management of their duties to shareholders. Some companies are failing to comply with section 300A because they say that the word 'broad' makes determining their obligations unclear. That excuse is now gone. I now urge the government to ensure that section 300A is enforced and that shareholders receive the information they need and which they are legitimately entitled to receive.

That it is not currently being enforced has been made clear to me by ASIC. At a public hearing of the Joint Parliamentary Committee on Corporations and Securities last year Senator Conroy asked Mr Alan Cameron, the then chairman of ASIC, whether ASIC was enforcing the provisions. Mr Cameron replied:

> ... at the moment the enforcement consists of monitoring it and drawing the attention of individual companies to what we think is noncompliance, but we have not taken on any particular company at this stage.

That is not good enough, and the lack of compliance with this provision in the law should be unacceptable to the government. In our view, the government is failing to act on the important issue of executive remuneration, and this amendment moved by Labor in the House of Representatives once again shows that it is only Labor which is committed to improving corporate governance and practices in Australia. Many might regard this as a routine piece of legislation, and in many respects it could properly be described that way. But it does deal with important issues of corporate law. With the remarks that I have made, I indicate that we will be supporting it.

Senator MURRAY (Western Australia) (4.41 p.m.)—I rise to speak on the Treasury Legislation Amendment (Application of Criminal Code) Bill 2001. I want to deal with the issues of strict liability which are covered in this bill. The imposition of strict liability in circumstances of total innocence or mere inadvertence absent of blameworthy intent or any real recklessness has to be guarded against. One of the reasons that I am going to make the remarks I am is just to ensure that the government, the bureaucrats who advise them, and the Senate are kept alert to my concerns and those of the Democrats to ensure that the revisions of all the various laws that we have to comply with the new effects of the Criminal Code are properly evaluated in terms of fundamental rights and liberties.

The gradual trend of imposing stricter and stricter penalties and punishments for behaviour can offend the fundamental common law principles that an accused is innocent until proven guilty beyond a reasonable doubt. The issue of strict liability and the desire for administrative efficiency or bureaucratic ease can motivate the creation of strict liability provisions in defiance of fundamental common law principles. Strict liability involves the imposition of a penalty or punishment for an act or an omission in respect to which the Crown need not establish any recklessness or blameworthy intent. Such provisions, as we know, are common in relation to issues of public health and safety. For example, a dairy producer might be held strictly liable for the presence of certain harmful bacteria in his or her product irrespective of whether its presence was the result of recklessness or an improper intent. So strict liability can be a highly effective

means of ensuring that all care is taken in such matters.

However, it can also create a wide net that could catch otherwise innocent people. Strict liability is inconsistent with the principle that the prosecution must not only establish the relevant act but also what is known as the mens rea, the guilty mind. This can only be justified in circumstances where there is a compelling public interest such as the protection of health and safety and there is no other means of dealing with the problem. The public interest should be so great, and the impossibility of alternative approaches so clear, that we are prepared to countenance summary convictions in a much stricter test which favours those administering the test.

This particular bill provides for the continued operation of various offences with the coming into effect of the criminal code. If legislation is not enacted to have regard to the code, the code may alter the interpretation of existing offence provisions. The bill provides for the continued operation of strict liability offences but creates no new such offences. The Democrats are supporters of the improved structure of the criminal code, particularly in the fact that it clarifies the traditional distinction between what is known as the physical element and what is known as the fault element. We recognise that legislation is necessary to give effect to the overall reform of the criminal code. All departments administering legislation containing certain offences will have to have legislation enacted to bring their offence creating provisions into line with the criminal code. Many such pieces of legislation have already passed through the parliament as non-controversial legislation.

We should ensure that, as far as possible, change to legislation does not create new offences without the parliament being alerted to it and understanding the reasons for it. Perhaps we should take the opportunity—and I have not in this instance—to reassess whether former strict liability offences are justified in being continued as strict liability offences. If this parliament is not alert to the downside of strict liability offences then, probably, no-one else is going to be. I would urge those persons with legal training in both the major parties to consider the fact that the minor parties take the view that this is not just administratively efficient and not just bringing things up to date but creating the opportunity for revisiting civil liberties and rights areas. It can create the opportunity to be alert to the potential dangers of creating new offences with insufficient thought as to their consequences for innocent individuals faced with the might of the state. Having said all that, we do not intend to oppose the bill. We merely continue to record a cautionary voice about the sort of offence and to try and ensure that, in the future, the Senate is careful with some of the provisions.

Senator COONEY (Victoria) (4.47 p.m.)—I will add some words to what Senator Cook and Senator Murray have said. There is caution to be observed in applying the criminal code in the way in which it is presently applied. The government is going through a number of acts of parliament and folding in the provisions of the criminal code. There is a need to look at how those amendments impact upon the various offences and the various acts that are alleged to constitute offences in a number of provisions. I do not know whether parliament has been able to keep up with the rate at which these amendments have been made. Being an unreconstructed conservative, I would have left this up to the courts to develop. Nevertheless, it has been developed by parliament, and that is how we go from here. For example, the issue of what is reckless conduct is defined a number of times throughout the Treasury Legislation Amendment (Application of Criminal Code) Bill 2001. It is defined in the following way:

(5) For the purposes of subsection (4)—

or whatever a relevant subsection is—

a person is taken to be reckless if:

(a) the person is aware of a substantial risk that anything done or not done by the person will constitute a contravention of subsection (3); and

(b) having regard to the circumstances known to the person, it is unjustifiable to take the risk.

(6) The question whether taking a risk is unjustifiable is one of fact.

I would have thought there are some real problems in deciding when a person is aware

of a substantial risk, what a substantial risk is and when it is unjustifiable within the meaning of this particular section to take the risk.

Not only with the sorts of legislation that this particular bill deals with—that is, the Corporations Act and other acts that deal with financial services—and this category of matter but also generally, the only way we can get adherence in the end is to have a code, a climate or a culture whereby people want to do the right thing. If we approach the issue of how we are going to get things done by imposing laws and thinking that somehow the imposition of criminal laws is going to solve the problem, we are mistaken. By 'the problem', I mean that we want the corporate world to produce the sorts of things it should produce—to go about its business of making this country financially secure and making it a wealthy country—but, at the same time, not to move into wrongdoing. Oftentimes that is a problem, but it is a problem that is best solved by having the corporate world imbued with an ethic and a culture that sends it in the right direction. It is only as a last resort that you impose penalties of some sort—they might be criminal or civil penalties.

This piece of legislation is going to go through with the consent of all parties, as I understand it, but it is worth making these points. In applying the criminal code, we ought to check how it is working out in the various acts that it is added to and, in looking to get things done right, we ought to look to the ethics of a particular occupation or profession. The issue of criminal penalties should become a last resort.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (4.53 p.m.)—I have listened to the debate and I understand that the contributions are generally supportive of this legislation. I do not think I need to add anything to the debate, and I therefore commend the bill to the Senate.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (4.54 p.m.)—I rise to ask the responsible parliamentary secretary on the other side a question. In doing so, I preface it by saying that I take note of the remarks of Senator Murray and particularly the remarks of my learned colleague Senator Barney Cooney, but it is not in the area of their contributions that I wish to raise a question for the government. In addressing this legislation in my speech during the second reading debate, I made in passing on a couple of occasions an observation about the resource base for APRA and ASIC and indicated strongly that we in the opposition think that there is sometimes raised the question as to whether the resource base is inadequate for these bodies to do their work. In the case of ASIC, that is often said.

I will make this point in slightly extended detail. Last week, I attended the hearings of the Senate Economics Committee inquiry into tax effective schemes. The committee sat in both Kalgoorlie and Perth. In Kalgoorlie, it was attended by upwards of 150 people; in Perth, upwards of 200 or 250 people. In my experience, it is unusual in the extreme that Senate committees attract that type of popular audience. Maybe it was something to do with the nature of the inquiry and the sense of injustice that many of the people who attended it believe has been visited on them. There was a continuing refrain from a lot of evidence that was given. On occasions during the day, the chairman of the committee had the wisdom to provide for, in the agenda, what he called a roving microphone. That is to say, people who came off the street to attend the inquiry who believed they had a genuine grievance were given an opportunity to make a very short statement about the nature of that grievance. Often the clear and obvious rejoinder was: 'Given what you have said, the changes to the CLERP Act may well cover your problem.' It is a question of resources for ASIC to enforce that, to police that, to investigate that or to follow up on these issues.

Again, on this legislation, we have made those remarks as well. I wonder whether the government can tell us whether it intends to examine the resources. In my speech in the second reading debate I referred to the chairman of ASIC making the comment that all he could do was monitor rather than enforce. Coming from that authority, it suggests that there is a problem about lack of means. I wonder whether the government can say anything about whether it intends to review this. With the weight of fairly compelling evidence—unsolicited evidence—about a continuous lack of means, will it do something about clothing these essential regulatory authorities with the necessary means to do their jobs?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (4.57 p.m.)—The resourcing of APRA, the Australian Prudential Regulation Authority, and ASIC, the Australian Securities and Investments Commission, is a matter that the government holds as incredibly important for the very reasons that Senator Cook has made clear. I had the privilege of assisting the Treasurer in relation to ASIC for the period of November 1996 through to October 1998, a time when the government was developing the legislation that Senator Cook was referring to, which was known then as CLERP6 and which has now changed its name to the Financial Sector Regulatory Reform Bill, which is to come before this place.

For some of the reasons that Senator Cook may have been exposed to at the hearings of the Joint Statutory Committee on Corporations and Securities, it is a very important piece of legislation—which this government has been pushing for now for at least three or four years—that will bring together the regulation of similar financial products and services under a single regulatory regime. If he looked closely at the development of that legislation—which, as I said, will come to this place shortly, I hope—he would know that the government's best intentions in this area are often thwarted by a range of different stakeholders in the various industries that we are seeking to regulate. I know, from when I was trying to get those parties to agree to what I regard as a new world's best practice regulatory regime—and certainly my successor in that portfolio, Minister Hockey, has been endeavouring to do that—that there are some people in those industries who have been fighting a subterranean campaign—certainly, it was in my time—and sometimes an above the ground campaign to try and stop those nasty people in Canberra from regulating them.

I think all of us have seen financial failures, be it aggressively marketed tax schemes or managed investment schemes, that would say to the financial investment, the planning industry and the people who sell schemes, aggressively or otherwise, that there is a very important need in Australia for consumers who are receiving financial advice to feel that they are being given advice by people who are working in an industry that is properly regulated and that people who create or proffer advice or sell products or services in a way that falls outside a proper regulatory regime will feel the full force of the law, be it by losing their licence to operate or by some other financial penalty. Consumers deserve that sort of protection. I look forward to that legislation coming before the chamber, and I hope that we can rely on the Australian Labor Party and other parties in this place to support that effort of Minister Hockey and this government.

In terms of the resourcing of APRA and ASIC, as I said, those agencies are regarded by this government as being very important. During my period of responsibility for ASIC we had a very close liaison with the commissioners of the securities commission. I think Senator Cook would recall from his own experience as a minister that very rarely does an agency or department readily come to the government at budget time and say, 'We're fully resourced and we don't need any more money.' It is generally the case that most departments and agencies would seek to get more money. The government is committed to ensuring that both APRA and ASIC, which fulfil an absolutely crucial role within Australia in the regulation of our financial sector, are properly resourced. We believe at the government level—I know the Treasurer

takes a very close personal interest in these issues—that they are properly resourced and that any issue of underresourcing should be brought to the government's attention and be closely monitored.

The people of Australia need to understand that they have a world's best practice financial sector regulatory regime with the reforms and the new regulatory regime which came into being in July 1998. Generally speaking, most national and international observers of the regulatory regime in Australia would regard the new financial sector regulatory regime as having performed extraordinarily well compared to any other international structure. In fact, I understand—as I do keep an eye on these things even though I have left the portfolio—that many other nations are seeking to copy what Australia has done in breaking up the prudential regulation, the corporate regulation and the other aspects of it. I say to Senator Cook that we regard the resourcing as a vital issue. We would not allow APRA or ASIC to be anything but adequately resourced, and I am happy to recommit the government to that.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (5.03 p.m.)—Mr Temporary Chairman Lightfoot, I take this opportunity to speak, in part stimulated by your presence in the chair, because just last week you were in company with me sitting on the Senate committee inquiring into tax effective schemes. It is not my intention to embarrass you in the chair—far from that—but because you are in the chair it enables me, through you, to make a point to the government. A number of people spoke from the floor at these meetings, which were quite well attended—much better attended than any other Senate inquiry I have been involved with. They spoke about personal loss and financial hardship visited on them by what were called by many—and I have no way of judging this perfectly—shonky schemes promoted to them by quick buck promoters. They made the point that the only recourse is essentially through the regulations through, in this case, ASIC, and they were concerned about the resources of ASIC.

I relate those remarks to what I said in my speech in the second reading debate. Were Senator Conroy here, I am sure he would endorse those remarks. My question to the government was: are you reviewing it? You assured me that you keep it—as I understood your answer—constantly under review. I understand that in the broad area of tax effective schemes there are some 80,000 Australians caught, representing some $4.8 billion of assessed taxable income—which is not insubstantial whichever way you cut it. Without making any judgment, it seems to me that if there is a claim that there is not the resources it is some sort of encouragement to shonks to get into this field. But I take heart from your remarks and I look forward to seeing what you do about it in the budget.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Bill (on motion by **Senator Ian Campbell**) read a third time.

WORKPLACE RELATIONS AMENDMENT (UNFAIR DISMISSALS) BILL 1998 [No. 2]

Second Reading

Debate resumed from 7 March, on motion by **Senator Heffernan**:

That this bill be now read a second time.

Senator JACINTA COLLINS (Victoria) (5.07 p.m.)—Once again—I think it is fourth time round—the Labor Party will be opposing this bill at the second reading stage. This government has habitually treated unfair dismissal legislation as a political football. In the last parliament, this legislation was brought forward twice by the government and rejected twice by the Senate. At the time, Senator Murray commented on the government's moral insensibility about this issue when he said:

> It remains my belief that the Coalition introduced this single issue Bill encapsulating gross unfairness, to provoke the Senate to absolute rejection.

A little further on Senator Murray added:

> ... this Bill was conceived to achieve a double dissolution trigger. And in that act of creation is

exposed the Coalition's utter heartlessness. It would create job insecurity and arbitrarily discriminate against one to two million employees for a political end.

Fairly strong language from the usually fairly moderate Senator Murray. Reflecting on these issues caused me to ponder what has happened to Minister Abbott's new image. Tomorrow—we hear—in the *Australian Financial Review* he is going to give us detail of his different agenda for industrial relations. In comments in the *Australian Financial Review* today, Minister Abbott is described as:

... moving to shed his hard right wing image with speeches proclaiming a new-found soft and fuzzy liberalism and urging Australians to avoid a culture of pessimism.

But this is not reflected in the government's action today with this legislation. Again—fourth time round—we have the same bill with no change.

The cynicism that drew the comments I mentioned earlier from Senator Murray is just as apparent now. This will be the fourth time the Senate has been forced to deal with this bill with no change. The previous three defeats should have been enough to consign this bill to the dustbin, so why bring it back again? I will be interested to hear what arguments the government has as to why yet again it is bringing it forward under a new minister with a new regime. Rationally and logically there are only two reasons for its return: firstly, to create a double dissolution trigger; or, secondly, to promote this government's tarnished credentials in the post BAS era as champions of small business. Further on that later. Either way, the hollowness is breathtaking.

This bill, if passed, would truly result in job insecurity for and arbitrary discrimination against workers—to use Senator Murray's words—for a rather petty and paltry political return. Let me remind the Senate what this bill covers: this bill seeks to require a six-month qualifying period of employment before new employees, other than apprentices and trainees, can access an unfair dismissal remedy under the Workplace Relations Act; and, secondly, it proposes to exclude new employees of small businesses, other than apprentices or trainees, of 15 or fewer employees from the unfair dismissal remedy under the act.

Let me revisit the case for these proposals. The first and most obvious point to be made in rejecting this bill is that, like much of the legislation initiated by this government in this area, the case for it is remarkably weak. What is certain is this: a group of employees will be subject to being unfairly dismissed at the whim of an employer. Only that is known. The government justifies this draconian and unjust measure by asserting that this will create more jobs. The 'evidence' that justifies this proposal is unconvincing.

The government proffers a number of surveys which it alleges draw a connection between unfair dismissal laws and hiring decisions. The argument goes that if you exempt small businesses and new employees in small businesses from unfair dismissal laws quid pro quo you create jobs. The previous minister expressed this argument as forcibly as was possible in his second reading speech on the bill when he said:

The Government has been listening to the concerns of small businesses, their experiences of the impact of unfair dismissal claims, and their fears that the simple fact of employing someone makes them vulnerable to unfair dismissal claims. There is extensive evidence of the difficulties that unfair dismissal laws cause for those small businesses who experience a claim ... And the fear of these burdens affects employing intentions, even amongst businesses which may not have themselves experienced a claim. This is the most important reason that this bill should be brought into law, as soon as possible—it will promote jobs growth.

The minister went into detail about quite a number of surveys. I will not repeat them here because we have covered them many times before.

His so-called 'evidence', as I said, is unconvincing in the extreme for quite a number of reasons. Let me rehash those: some of the surveys had suspect methodologies and motive and they have been conducted by less than impartial industrial relations participants—organisations with form and well-established bias. There is one notable omission to the minister's recitation of the relevant surveys. Notably, it was the least biased,

the most comprehensive and the most authoritative and, interestingly enough, in direct conflict with the surveys preferred by the then minister. The most impartial and authoritative survey results come of course from the Australian Bureau of Statistics in their AWIRS for 1995. This found that the reasons small business had not recruited in the previous 12 months were that 66.2 per cent of small business respondents indicated they did not need any more employees and 23 per cent listed insufficient work as the main impediment. Only 0.9 per cent of respondents nominated unfair dismissal laws as their reason for not recruiting.

Senator Murray comprehensively dealt with this argument in his minority report from the committee's inquiry, saying:

> The relatively small number of unfair dismissal applications, particularly from employees of small business, meant that this could not possibly be a major problem in respect of employment. Surveys showing small business concern about the issue were characterised by loaded questions and confusion between federal and state legislation, and no evidence supported the claim that abolition of unfair dismissal laws would create employment.

In conclusion, Senator Murray stated:

> Many of the employee relationship problems small business have continue to be those related to owner/manager skills, training and experience in managing people.

The government would perhaps be better off focusing on those matters rather than rehashing this. However, the final point I want to make about these surveys is that all of these results are old and unreliable. They deal with the old unfair dismissal legislation, not that put through by Minister Reith in 1996. It is a case of comparing apples with oranges. So there is, in fact, no evidence to support a change to the system as the bill proposes. What we do know is that, when the new unfair dismissal laws were put through the parliament by Minister Reith, he was strongly of the view that they then struck the right balance. He said with pride:

> We have delivered a workable system for dealing with unfair dismissal on the basis of a fair go all round.

And he proudly told a business gathering in Perth in 1998:

> Unfair dismissal claims against employers, including small businesses, under federal laws have dropped by 49 per cent and have fallen across all jurisdictions by an average of 18 per cent. Under Labor, unfair dismissal claims reached record levels.

So what went wrong? Thankfully, we are not limited to theories and survey results to determine the potential impact on jobs of this provision. There is a real world experiment we can look to for guidance, and it does not support the government's case. When the coalition government in Queensland did introduce an exemption similar to the one sought here, it had no impact on employment rates—none at all. Yet this bill is premised on the basis that it will create employment. One final point on the job creation furphy—have you noticed that the government never claims that this measure will create a piddling small amount of jobs? It is 50,000 jobs, the government claims. You will always hear that figure being thrown around by the government. For instance, Minister Reith in a 26 July 1998 press release entitled 'Arrogant Democrats reject reform mandate' said:

> The Democrats have already cost 50,000 Australians a job by rejecting the unfair dismissal proposals put forward by the government.

The real world experiment in Queensland gave no credence to that claim. The Prime Minister said in a response to a question without notice on 10 February 1999 entitled 'Employment: Job Creation':

> Because, if you do that—

that is, do not support the unfair dismissal exemption for small business—

> you will destroy the job prospects of 50,000 Australians in small business.

Looking more closely at the Senate, Senator Tierney, the Chair of the Employment, Workplace Relations, Small Business and Education Legislation Committee inquiry into the termination of employment bill, said on 31 August 2000:

> There was evidence at earlier hearings ... that we actually lose 50,000 jobs ...

I suppose it is the old adage: if you say something often enough, eventually some-

body will believe you. But what basis exists for that claim? None at all. Yet, in all these years, the government have not come up with one skerrick of evidence to support their mantra. All they do is throw around the figure of 50,000 new jobs, with no basis.

The story of the 50,000 jobs is a very interesting one. Those who have participated in the inquiry into this bill, particularly on the last occasion, might recall the basis for that claim. The figure comes from Mr Rob Bastian, the head of the Council of Small Business Organisations of Australia—COSBOA. It was first raised during a Senate hearing, and it has been the subject of some scrutiny by the Employment, Workplace Relations, Small Business and Education Legislation Committee. Under questioning from Senator Murray during one hearing, Mr Bastian admitted that it was a figure he had plucked out of the air and that he had no basis for the figure. It was, in fact, his extrapolated calculation from unsolicited, off-the-cuff comments by businesspeople contacted by COSBOA telemarketers who were conducting a survey but not on this issue. From those comments, Mr Bastian came to the conclusion that, if unfair dismissal requirements were removed from small businesses, one in 20 Australian small businesses would employ an extra worker. One person's extrapolation is another person's guess, and that was all it was: a guess. The simple truth is that Mr Bastian's figure is beyond rubbery; it is actually quite fluid. Unfortunately, though, this government has been relying on Mr Bastian's guessing abilities ever since.

One final point concerning Mr Bastian is that there is a great irony in this government's continual use of his guessing abilities, because, on the principle of unfair dismissal reform, Mr Bastian has had enough of this government's ideological crusade with unfair dismissals and small businesses. When he appeared before the Senate committee inquiry into this bill, Mr Bastian expressed the view that it was time to move past what he described as 'beating from our different positions'. He suggested that it would be a 'major step forward' if we, the political participants in this debate, 'put forward a quest to identify the middle ground'. It is a shame that this government is so selective in the advice it takes from Mr Bastian, and again it has simply re-presented this bill.

Let us look at the effect of this bill. I said at the outset that there was only one certainty if this legislation is passed: a person who, through no fault of their own, is unfairly dismissed will be unable to do anything about it. Does the government think this is unfair? Not unfair enough, it would appear. Does this matter to the government? The answer is clearly no. Does it care that a family's capacity to pay their mortgage, plan their holiday, live their lives—all that—can be capriciously taken from them? The answer is clearly no; it does not give a hoot. This bill is about taking away the rights of workers to contest dismissals when they are unfair and unjust and giving unfettered discretion to an employer to dismiss. This legislation is about stacking the decks in favour of employers—and not any employer, but employers who do the wrong thing. The only winners out of this would be the boss who gets rid of an employee for no good reason and the loser of course is the victim. This is bad law and that is why it has been rejected thrice, and it deserves no better this time around.

Senator MURRAY (Western Australia) (5.22 p.m.)—In reference to the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] I would refer readers and listeners back to the *Hansard* record of previous debates on this matter in 1997, 1998 and 1999 and to my minority report of February 1999 to the Workplace Relations Amendment (Unfair Dismissals) Bill 1998, to which Senator Collins referred and which still provides the basis of the Democrats' opinion on this matter.

I have had a look at the minister's second reading speech to the bill, which is the same bill that was introduced into the House of Representatives on 12 November 1998, passed by them, but rejected by the Senate on 14 August 2000. The second reading speech of the government immediately moves to reject the idea that this is a double dissolution trigger. It says:

The government is not reintroducing this bill because it wants to have an election over it.

I happen to think that is right, that they would not have an election over this particular bill. However, it will have the effect of giving them a double dissolution election trigger, if that is what they want, and in that sense it is good political housekeeping. The claims within it, though, deserve to be addressed, and Senator Collins has addressed them quite fully. The claim that it would unlock small business access to some 50,000 new jobs is a spurious one; it is a claim that has been fundamentally refuted before and has again been refuted by Senator Collins. When the government accept round figures like that which do not move regardless of the circumstances of the economy or of what else is going on in state jurisdictions, it indicates a lack of substance to the claim.

It is, of course, an argument that adjustments to some of the deficiencies within the law could have some beneficial effects in terms of small business attitudes about unfair dismissals. That is an argument the Democrats are prepared to acknowledge. In that respect, I draw the Senate's attention to the fact that on page 3 of today's *Notice Paper*, at item 16, there is the Workplace Relations Amendment (Termination of Employment) Bill 2000. It is to be regretted that these two bills were not introduced together, because the Australian Democrats have clearly—in the minority report to which I referred—accepted that there are process, time and cost issues which need to be further resolved. Whilst we would not in any event accept the whole of that bill, nevertheless we are prepared to consider amendments to that bill and to suggest to the government ways in which process and cost issues should be addressed. That is more important than getting rid of a fundamental right: the right of people who are in a disadvantaged position to have their unfair dismissal claim assessed by an independent umpire, which is the Australian Industrial Relations Commission.

The government argue that their unfair dismissals bill represents or has been the subject of an almost unprecedented degree of political obstructionism. Well, yes, it has; and I am pleased to see the Senate obstructing and rejecting what is regarded by those not on the government benches as a fundamentally unjust proposition—that is, that a fundamental right should be withdrawn. However, one swallow does not make a summer, or an exception does not prove a rule. One bill being obstructed does not indicate Senate obstructionism. I would remind the chamber of what we know but is often not properly represented out there in voter land: that the Senate passes 98 to 99 per cent of all bills before it, some of those with amendment, but there are very few bills subject to the kind of obstructionism that we have given in the past to this bill and that we will give again to this bill.

The government claim that there is a jobs link to this bill. However, the grounds on which they make that claim are extremely questionable. I am not going to go into great detail on that again, having done so before. But one of the extraordinary things proposed by the bill is that it only applies to new employees. Not only do the government want to distinguish between big business and small business with regard to access to federal unfair dismissal cases, but they actually want to create a different class within small business: new employees will be on a set of conditions different to those for old employees. If anything is a recipe for confusion and trouble, I would suggest that that would be.

The issue should also be addressed by reference to numbers. I intend tabling only one page of figures—that is, the summary of federal unfair dismissal cases throughout the country—but I would like briefly to encapsulate what has happened with federal unfair dismissal cases in each state. I remind the Senate that the percentage of small business claims that are part of total federal unfair dismissal claims is about one-third and that about two-thirds of all unfair dismissal claims are state, not federal, anyway. If a problem exists at all, it may well be considered to be state, not federal. In the commentary from business groups who advocate and support this kind of bill, I have seldom—and I say seldom because I may have forgotten—if ever heard them distinguish between federal and state jurisdictions, which seems to me quite extraordinary.

Let us begin with federal unfair dismissal cases in Western Australia, my state. These

figures include big business and small business. In 1996, the total number was 1,849. In the year 2000, it was 401. One-third of that is a little over 100; hardly a major issue. Victoria has the largest number of federal unfair dismissal cases. Bear in mind that 1996 was before the enactment of the new act, whereas 2000 was under the new federal act. In Victoria, the figure was 6,169 in 1996; in the year 2000, it was 4,606—a diminution of about 1,500. In Tasmania in 1996, the figure was 369; in the year 2000, it was 127. In South Australia in 1996, the figure was 644; in the year 2000, it was 199. In Queensland in 1996, the figure was 562; in the year 2000, it was 416. In the Northern Territory in 1996, the figure was 407; in the year 2000, it was 307. In New South Wales in 1996, the figure was 4,547; in the year 2000, it was 1,388—a diminution of over 3,000 in those years. In the ACT, the figure was 536 in 1996 and 236 in the year 2000. You can see a major reduction since the 1996 act; those provisions have been extremely effective in limiting the total number of unfair dismissal cases. Therefore, for small business there has been a massive reduction of federal unfair dismissal cases. To go to the figures which I propose to table—the summary of federal unfair dismissal cases across Australia—in the year 1996 there were 15,383 and in the year 2000 there were 7,680, which is a halving.

What is quite interesting is that the number of unfair dismissal cases has dropped whilst the employment figures have risen. I have not done the direct analysis but that, I would think, would put the lie to the idea that when employment growth is under way it either will be paralleled by exactly the same growth in unfair dismissal cases or be a major restriction on the growth of employment. Bear in mind that I represent a party which recognises that further process and cost issues have to be addressed; not, I repeat, in the form that the government is proposing, but there are some issues that could be addressed. We are in the situation in relation to federal unfair dismissal cases where about one-third of 7,680 cases affect small business; a little over 2,000 across the entire country. I have not got the latest industrial registrar figures on these matters before me, but my memory is that large numbers of those end up being dismissed and large numbers are found to be in favour of small businesses anyway: they do not automatically go to all employees and very few reinstatements occur. As I recall, the number of reinstatements is fewer than 100 over the entire country, but I have not got the up-to-date figures in front of me so I will leave that as a memory issue.

You have, I think, four real issues to deal with. Firstly, is the problem in a federal sense out of control, escalating, revealing a dangerous and difficult situation? The answer is that on the figures it is not. The second issue is however that we have had clear evidence from both unions and employer organisations that further reform to the law is necessary. So, on the question of whether the law needs to be amended in some cases, from each of those sides there is a view on that. The third issue is: is it a major impediment to jobs? If it were, it would a consequence of state jurisdiction, because that is where most unfair dismissal cases for small business reside. But there is nothing in the research or the data produced to date which provides that direct link which Mr Bastian originally forecast and, as I say, no objective observer, never mind subjective ones, can see any link at all between a figure of 50,000 and removing this provision in the act.

The fourth issue, of course, is the political issue. This bill does have the effect of giving the government a double dissolution trigger. I am delighted to be able to give it to you on the basis of a civil rights matter—absolutely delighted. As I said to you, it is good political housekeeping, in my view, for you to do it, but I do not give it any great note. I will take you seriously as a government, however, when you do introduce your Workplace Relations Amendment (Termination of Employment) Bill 2000, because that is an attempt to adjust the law without attacking the principle that every employee should have unfair dismissal provisions available to them when they are up against dismissals which need to be challenged through the Industrial Relations Commission.

I do not propose to go much further than this. The Democrats still think that this bill is harsh, unnecessary, unjustified. We will vote

the bill down. We will keep voting it down. We think it offends a fundamental principle. We think it seeks to differentiate between classes of Australians, even within small business, and we think its motivation is wrong. I have always been surprised that small business, who themselves demand protection from big business in so many areas, cannot equate their feelings about the abuse of power by large organisations with the sense amongst employees that they too deserve some protection. I think the parallel is fairly evident. So with those remarks, I would formally ask if the Senate would grant leave for me to table the sheet I circulated earlier.

Leave granted.

Senator HUTCHINS (New South Wales) (5.40 p.m.)—It is certainly my pleasure to follow a fellow senator whom I have listened to in the short period I have been here. I find that each contribution he has made is one that he makes on principle—and I sometimes wonder whether he is leading his party rather than simply advocating their position.

It is a very interesting situation we find ourselves in. I have spoken on the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 before. It was in August last year, and I recall that at that stage I was going back to 1351 and the Statute of Labourers—as far back as we could look to refer to legislation that was governing, in one form or another, the employment rights of people who worked for a living. Of course, you may not recall 1351, Mr Acting Deputy President Lightfoot—there are, I am sure, people in your party who feel that you may!—but there was very little protection for employees in that period. It drew the attention of the House of Commons to take certain action to remedy some minimum protection and rights.

As I say, I went back to my original speech and looked at it and then at the *Bills Digest*. As Senator Murray and, no doubt, Senator Collins have mentioned, this is one of those areas which is supposedly a trigger for a double dissolution. I see the representative of the minister at the table here tonight, and I know her to be personally brave; but I cannot see that any government, after what we saw on the weekend, will be brave enough to use this as a trigger for a double dissolution. Like a number of my colleagues and like yourself, no doubt, I have experienced double dissolutions in my political and party career, and very seldom does the issue that brought about the double dissolution become the issue in the general election. What will become an issue in the general election is the way that the government has treated small business; the way it has treated employment in this country; the way it has treated pensioners and self-funded retirees; the way it has treated the mining industry; the way it has treated dairy farmers—the way the government has treated all those people, particularly a lot of those people whom it rightly regards, and has rightly regarded for generations, as stalwart supporters of the conservative cause.

If this bill is defeated this evening, I imagine that members of the coalition, when they have their party meetings tomorrow, will have one of those magic weapons with which to go to a double dissolution, putting us on notice with the Australian people. I suppose that I dare you to do it. I am sure that we would love you to go to the Australian people now. You saw the results in Ryan on the weekend, Mr Acting Deputy President. You would have seen how ready, willing and eager the Australian electorate were to get at the party in government and give it the comeuppance it deserves. It is with that in mind tonight that we have an opportunity to debate this bill again and see where it goes.

Just to reiterate, I will not go back to that Statute of Labourers in 1351 or 1353 but I will go back to a period when—and I make no bones about my background—I was a full-time official of the Transport Workers Union for 18 years. I started as an official, then became the state secretary in New South Wales and ended up as the federal president. I remember, as I may have reiterated the last time I spoke, that my first introduction to appearing before the federal and state commissions in New South Wales was the advice given to me that, 'If you go into the federal commission, you have to stand up; in the state commission, you can sit down.' That

was the level of training we were given; and I thought it was good training because I learned to speak on my feet on many occasions.

One of the first unfair dismissal cases that I took was in the New South Wales commission. I explained, when last I spoke on this, just how difficult it was in those days for people who worked in the federal system to get access to justice and fairness in that system. As I said, my first case was in the state commission. One of the areas I will refer to—and I am not sure whether Senator Collins mentioned this—is a decision by Mr Justice Sheehy in the New South Wales commission, called the Loty and Holloway case. In essence, I believe that case established the term that runs through all unfair dismissal laws: 'a fair go all round'. It might surprise you, Mr Acting Deputy President, that that unfair dismissal action was taken by two employees of an organisation that probably had over 15 full-time employees. Those two employees had worked there for longer than six months. The organisation—and I am sure my colleagues in the Australian Workers Union will not mind me saying this—that was being taken to the Industrial Commission on unfair dismissal was the Australian Workers Union. Two employees of the union—one John Loty, who is now a barrister; and Necia Holloway, whose whereabouts I am not sure of at the moment—were dismissed by one of the factions that got control of the AWU, as tends to happen on occasions, and their employment was terminated.

The chap who became a federal member of parliament for Phillip and became a federal minister, Joe Riordan, who was federal secretary of the clerks union at the time, took the matter before Mr Justice Sheehy of the New South Wales commission. It was there—and maybe Senator Cooney, who is a barrister, can correct me if I am wrong—that the issue of 'a fair go all round' was established. That has been, in the New South Wales jurisdiction, a thumbnail sketch of how it has been determined whether someone has been unfairly or unjustly dismissed—and that is as it should be. It has not been based on whether they have been six months as a permanent employee or on whether they have been working for a company or an organisation with over 15 full-time employees, but simply on the fact that their rights and privileges as citizens of this country are able to be upheld if they may have been unfairly dismissed. For your information, a number of significant grounds were established in the Loty and Holloway case, where Mr Loty was dismissed—and it was held that he was rightly dismissed—and Ms Holloway was reinstated. As I said, Mr Loty went on to become a barrister. So this was established in the 1950s by Joe Riordan, as the then federal secretary of the clerks union, and it has been a test that has been established for employees in the New South Wales jurisdiction.

As I said earlier, I remember how difficult it was for men and women who worked in the federal jurisdiction to have access to that fairness and justice. They were being dismissed unfairly and unjustly, and they were entitled to be reinstated. I always felt that that should be the cornerstone of any legislation, and not necessarily compensation. I always felt that, if someone was prepared to go to the commission and argue the case that they indeed wanted to be reinstated with that company, that company had probably erred. In all my years of being involved in the TWU, there were a number of occasions where people were, I believe, correctly dismissed, and their cases were not pursued on the part of the TWU. But it was at that time that we had the sole rights to go before the commission and make those applications.

After the Greiner government got into power in New South Wales in 1988, they made opportunities for people to go jurisdiction-hopping and to elect whether they wanted to be reinstated or compensated. That is what caused the queues in the New South Wales commission and, undoubtedly, that is what caused the queues in the federal commission as well—because people had the opportunity to say, 'I don't want my job back; I just want extra money.' That issue has come and gone, and that is not what we are debating today. We are debating today the fact that this legislation would bar people from having access to the unfair dismissal

laws unless their employer has more than 15 staff and unless they have had six months continuous employment.

As has been mentioned by Senator Murray and by Senator Collins, the most interesting thing about this legislation is that the government is trying to establish some nexus between the fact that, if there is a freeing up of the unfair dismissal laws, that will create 50,000 extra jobs. Apparently this claim comes from Mr Paul Bastian, a spokesman for the Council of Small Business Organisations of Australia, without any sort of data whatsoever—only that he had been told, I gather, by a number of small businesses that they are being held back from creating extra employment because they fear the situation with unfair dismissals. Translating it into my own state, it would mean that, of those 50,000 extra jobs that Mr Bastian claimed there would be in 1998, in New South Wales we would get 16,000. Once again, statistically, there were only 304 unfair dismissal claims made in New South Wales in 1998; so I cannot see how you could establish that the figure of 304 unfair dismissal claims has dissuaded employers from creating 16,000 jobs.

In fact, a survey done recently of Victorian small businesses found that the most important thing affecting them was the current business activity statement. I am sure you, Mr Acting Deputy President Lightfoot, from your travels throughout your great state of Western Australia, would know how angry small business is about this con by the government over these new tax laws. Small businesses are more interested in that and what the government is going to do about it than they are in unfair dismissal laws. These Victorian small employers were asked where, of 11 issues, they ranked the unfair dismissal laws. Guess where they came? They came 11 out of 11. Eighty-three per cent of them were most concerned about the business activity statement and the fact that it is taking up too much of their time and energy, rather than about the unfair dismissal laws.

The respected firm Dun and Bradstreet in their latest business expectation survey have said:

> More than 40 per cent of business owners have told us they are struggling with available cash flow in their bid to make quarterly taxation payments. These businesses are now finding it difficult to pay their creditors on time, which creates a domino effect for all businesses along the supply chain.

That is what is worrying small business, not unfair dismissal laws. I am pretty sure they would be very angry to think that this government is now looking for some sort of parliamentary means to go into a double dissolution, pretty angry that this is some sort of sleight of hand by the government to engineer a potential crisis, and pretty angry that the government should be wasting its time on making sure that these laws to impose the new restrictions and impediments on small business get through the Senate. They would be angry that we are wasting time on something that they did not even prioritise any higher than 11 out of 11—when the government should be presenting to the Senate remedies to make it easier for small businesses to operate.

I cannot see how any of this will impact on employment. I cannot see how this will provide a remedy for any of the complaints that small business are making. Most small businesses are decent, honourable employers who value full-time staff. It is a fact of life that, if you have full-time staff that are content, well-paid and secure in their employment, they will be far more productive than anybody who is casualised, feeling threatened, or does not work in a safe work environment. That is a clear given; I do not think it could be questioned by anybody. These laws are unnecessary. There are remedies in the workplace now. This is unfair to big business. It is uncalled for by small business, and we need to speedily reject it to see whether or not the government is brave enough to go ahead and call a double dissolution.

Senator COONEY (Victoria) (5.55 p.m.)—It is a privilege to follow Senator Hutchins in this debate. He is a person who, as a member of the Transport Workers Union, would have had experience with small business people. Truck drivers who conduct a small business are a classic example of small business people.

Senator Hutchins can be relied on to give a fair and balanced assessment of the situation here. He has raised the question of whether this Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] has been introduced to provide a trigger for an election. The second reading speech says that that is not so. It says:

> The government is reintroducing this bill to implement its mandate and policy and to unlock small business access to some 50,000 new jobs which would be created in the economy if this bill were passed.

Senator Hutchins and Senator Collins dealt with that issue. But if this bill is not a bill through which an election might be triggered then we might ask ourselves: why is the rhetoric in the second reading speech of the sort that it is? An example which appears on page 2 of the second reading speech reads:

> The government recognises that passage of this bill now requires the Labor Party and the Australian Democrats to abandon the political obstructionism that has to date characterised their stance. They would be required to balance in a different way competing interests between the purpose of unfair dismissal laws and the negative impact these laws have on small businesses and the rights of unemployed Australians to access new jobs. If they did so, and allowed this bill to pass, they might even be given credit within the broader community.

That is not the sort of statement that you would expect from somebody analysing the ramifications of this bill in a steady and dispassionate way. This bill is promoted on the grounds of rhetoric; on the grounds of saying that certain things are going to happen without providing any evidence for that.

Another example of the rhetoric of this second reading speech, which is supposed to promote the passing of this legislation, reads:

> It is an unavoidable fact that the defence of an unfair dismissal claim, however groundless, is especially burdensome for small businesses. In many larger businesses, more expertise and resources can be put into recruitment and termination procedures. Small businesses have no such resources. Even attendance of witnesses at a hearing can bring a small business to a standstill.

That is put forward as a basis for rejecting this legislation. It is an argument to improve the system by which the law operates in this land. But, really, that statement says this: people do have rights, and perhaps should have rights, but we are going to take those rights away because the legal system is too expensive.

Once you get to the point of saying that people should not have the benefit of legal process because it is too expensive, you come to a very sorry pass in this society. That is what this second reading speech is saying. It is saying that, because it is expensive to do so, we will not give rights to certain workers whereas we will give rights to other workers. And what demarks the workers who will get the rights and the workers who will not? A number—15. If an enterprise employs 16 people, those 16 people have the right to go to law and to exercise their rights in this community. If they are members of a work force of 14, they do not. That is how whether people are going to get the benefit of the law is decided. Why should we have a legal system at all? Why not just abandon the legal system? Why not just say, 'If workers feel that they have been disadvantaged or treated unfairly, forget about it.' Why isn't that approach taken? It is partly taken. The egg is partly bad, it seems. Nevertheless, the government wants to persist with that very tortured distinction between the number 15 and the number 16.

Of course there are times when a small business is disadvantaged because it has on board an employee who causes all sorts of trouble, an employee who is really not worth the money that is paid to him or her or an employee who causes such trouble that the business itself is put under threat of imploding. That is one side of it, but you do have those sorts of employees around—employees who, no matter how often you talk to them, cannot be made to see that they have a duty to work in accordance with their contract and to do so honestly and enthusiastically. You have that sort of situation. Then, of course, you have employers who oppress their workers, who do not give them proper consideration in terms of safety and wages, who just do not like them for all sorts of reasons, who therefore oppress them and who, in the end, throw them out without any justification. They are the two sides. In any particular

case, which is right? If a person is unjustly thrown out of work through the prejudice, unfairness and injustice of his or her employer, why shouldn't the system be that such a person has a right to at least put a case before some tribunal? Anybody who is employed next door, where the work force is over 15, can take that process to the decision maker for a decision. Why shouldn't this person do the same sort of thing?

What we have here is not an argument to sacrifice people who belong to a work force of a particular number simply because of the expense and worry involved; what we have here is a problem with a legal system which cannot properly accommodate the situation. That is what we should be looking at. We should be looking at how the legal system can be improved so that people can go to court, go to the commission, go to the Administrative Appeals Tribunal or go anywhere else without that being too expensive. If we do not cure the legal system, we will have a legal system which is literally only for the wealthy. We will have a legal system that satisfies people who are in a particular class—people employed in an enterprise with more than 15 people who have particular grounds for having their issues decided.

This bill really has no logic and is based on an emotional reaction to what is said to be a cry from small business. As Senator Hutchins has pointed out, this bill tries to cure the problems that rain down on small business by sacrificing the people who small business employ. This bill says that the cure for small business is not to relieve them of the burden of getting documents ready to pay their goods and services tax and it is not to try to give them rights amongst the ever growing big businesses. This bill is saying that this is not what will cure the problems of small business, but that sacrificing the lives of small business workers, people who are employed by small business, will cure the problems of small business and relieve the devastation that small business suffers. This is saying that the small shopkeeper who has to stay open for long hours, who has not got sufficient assistance and who has to do his or her books after the shop has closed at 9 or 10 o'clock at night is going to have his or her problems solved by being able to sack somebody he or she employs, without showing any good cause. When you put that forward, it shows you how ridiculous and pernicious this bill is.

Another point I want to raise from reading the second reading speech comes from these words in it:

> The proposed small business exemption has been the subject of an almost unprecedented degree of political obstructionism. In less than four years it has been voted down in one form or another on eight occasions by the Labor Party and on five occasions by the Australian Democrats.

If the government thought about that, they might think there is more than just a political ploy here. But this is all about preserving the citizens of this country. This is all about making sure that people at work do work with some sort of security, conditions that are decent and a fair salary. If we, as a society, cannot produce that, then we are a pretty sick society.

The reason the Labor Party have voted the bill down so many times—and will continue to vote it down—is that, if they did not vote it down, they would be inflicting a dreadful injustice on many people. If this bill ever comes before this chamber again, it will attract a second reading speech which will be able to say that, in less than so many years, the bill has been voted down in one form or another on eight occasions—and next time it will be the ninth occasion—by the Labor Party and on six occasions by the Australian Democrats. I think that when that record is read in years to come, people will say, 'That is a situation where the opposing parties in the Senate did the right thing by Australia, by Australians and by business in Australia.'

Senator BUCKLAND (South Australia) (6.09 p.m.)—The Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] has been bouncing around the place for some considerable time and certainly for some time before I entered the Senate. Before coming here, I was practising in the field that actually deals with unfair dismissals.

Senator McGauran—What were you?

Senator BUCKLAND—I certainly acted for those who were unfairly dismissed.

Senator McGauran—A lawyer.

Senator BUCKLAND—Not as a lawyer but as a union official.

Senator McGauran—Surprise, surprise.

Senator BUCKLAND—Surprise, surprise, we were actually doing the things that brought some fairness and equity to working people and to employers who had been unfairly treated by errant employees. I make no apologies for that. The bill has been bouncing around mysteriously within the industrial relations forum, and no-one in that forum actually knows what the government is seeking to do, apart from making change for change's sake. The bill that we have before us is one that is loaded with unfairness and a lack of equity for those parties and workers who are unfortunate enough to find themselves dismissed. I have to say I am amazed that it is yet again before the Senate, hopefully to be yet again rejected.

One of the amazing things about this bill is that it provides an exemption for employers from the unfair dismissal provisions of the Workplace Relations Act in relation to any person engaged after the commencement of the proposed amendments, where the employee was not an apprentice or a trainee—they are protected by other legislation—and the business employs no more than 15 persons. Senator Cooney addressed that issue. I wish to reinforce what was earlier said. Where do you draw the line? What logic is there in it being 15 employees? Miraculously, an employee who works in a company that employs 15, 17 or 20 employees, which is still considered a small business, has a different level of protection. Where is the equity? Where is the logic? Where is the difference in cost between the one employer and the other? Where is the difference in the cost between the worker who works for an employer with less than 15 employees or the worker who works for an employer with greater than 15 employees? There is absolutely no difference. The costs are the same but the fairness and the way in which the government wishes this to be managed show a great deficiency in fairness and equity for working-class people.

It is interesting to have a look at the equity question—the fairness of it. The argument going to the fairness of change is that it leaves significant sections of the workforce without basic protection. No worker should go to work without some form of protection against their employer. Workers employed by medium to large businesses have that protection. Go out into the rural areas. It might open your eyes and you might see that there are not a lot of large employers out there. Businesses run with one or two employees or as family businesses with one or two of their friends coming in to help. There is no protection for workers in those situations. But if you work for a larger employer you get that protection, or as much protection as the government—through this bill—wishes to provide.

A class divide is being developed through legislation. If you work for a small employer, you are one class of person; if you work for a larger employer, you are indeed a different class of employee. So we have a government now building into legislation that great class divide—something that was never there in the past. Similarly, the bill readily accepts that an action for unfair dismissal may harm the employer but it underplays the likely effect on the worker from losing his or her job. They lose their job but, really, what does it matter? They are a worker, and it does not matter, but the employer has to be protected. You will never convince me that there is any equity in the drafting of this bill that is purported to be going to revolutionise the Australian work force. It fails miserably in providing the basic care and basic rights of Australian citizens. I was interested to read the following in the Australian Industrial Relations Commission's annual report of 1999-2000:

> There were over 7,000 applications finalised. Only 3 per cent of the applications were finalised by a substantive arbitration on the merits. A very large proportion of applications were finalised at, or prior to, a conciliation conference. Not all of those applications were settled. Many were not pursued, were dismissed on jurisdictional grounds or were filed too late.

I went through my records of unfair dismissals in the five years prior to coming to this place. I was asked to pursue 57. Nine actually went to arbitration. Some 60 per cent were successful and the remainder were unsuccessful. That is because you apply that fairness. You give it the test. You take it there, you conciliate and you see if you can resolve the matter that is before you. If you cannot then you pursue it at a different level. Surprisingly, the majority are not even registered with the Industrial Relations Commission. You find the resolve: either the worker is grossly wrong or the worker has merit that should be pursued and the employer relents and makes some offer to settle the matter that is amicably accepted by both parties.

There is practical application. It happens, and there are people out there who will now not have that right to pursue an unfair dismissal application. There are people who work for small businesses such as delicatessens, fish and chip shops and similar enterprises, and some are so bad that—and there is quite substantive evidence of this—for example, when the employer takes a young person on to make fish and chips for the customers the terms are: 'You work for the first three weeks without pay at all.' That is one problem that may need addressing in the future. That is the first condition. Eventually, it is found that they are willing to do these unholy things, and they start getting paid. The moment that worker then says: 'I don't seem to be getting as much as my friend working in another shop. I don't seem to be getting as much as my mum and dad think I should be'—or, bless them, they may even go to the department of labour and find out they are entitled to an award rate of pay and then raise that with their employer—they find that they are not required the following day. They are simply not required, because they have suggested that they should be getting more than $3.50 an hour for working on a Sunday evening making fish and chips or serving behind the counter of a delicatessen.

This bill denies those young people—and, indeed, some married women have been caught in the same trap—access to appeal that decision to terminate them. In some situations the employer has actually been brought to the table for conciliation. The employer says, 'I didn't know about that.' God bless them, they are no different from the employee. The employee has an absolute obligation to know what the law says, and so does the employer. But it does not deter them. They are trying to sneak away and hide behind a bit of draconian legislation that has not been properly thought out. The annual report of the commission goes on to say:

> This settlement rate is based on the settlements achieved through the conciliation process. In the last six years the settlement rates have ranged from just over 50 per cent to over 70 per cent. The trend is an upward one, giving some cause for concluding that conciliation is increasingly effective.

Let us have a look at some of the matters that went before the commission. We look at South Australia, my home state. Of the 210 cases that were registered to go before the commission, 14 went to substantive arbitration. One could not say that that is a burden on the employers by any stretch of the imagination. Let us look at a bigger state, New South Wales, which registered 1,128 matters. Out of those 1,128, only 43 went to substantive arbitration. How can the employers in New South Wales say that it is absolutely vital for them to get legislative change? It is a mockery.

Dear old Victoria no longer have the state Industrial Relations Commission forum. They registered slightly higher: they had 4,691 matters registered, with only 126 of those matters going to the substantive arbitration stage. The others were resolved beforehand. A person who goes to a union, or a person who goes to a decent solicitor who is not just looking for a quick buck, will always be told if there is merit in their case or not. No union in their right mind, and no solicitor who is doing anything but looking after the interests of their client, would ever suggest to an employee who had been terminated that they should pursue unfair dismissal when they had brought their downfall about by their own actions. I can see absolutely no reason why the government should be pursuing such meaningless legislation. That is

all you can say about the legislation before us.

A great deal is being said by the employers about the surveys that are done, supporting the need to do something about unfair dismissals, about the cost on their businesses. One has to ask the question: where are these surveys taken? Who fills out these surveys? Does the managing director give it to the tea lady to fill out while she is pouring a cup of tea and say, 'Put something out here'?

Senator Abetz—That is sexist.

Senator BUCKLAND—Or the tea man, as it may be now. Thank you, Senator Abetz, for drawing my attention to that remark. I withdraw any perception I might have given that I was being sexist. But that is the fact. Anyone could be asked to fill out these surveys, because I do not think the managing directors with any perception of what is good management are doing it. It is an absolutely false perception that they have. If you look at the figures in the annual report and if you look at the figures that are shown in state industrial relations commissions' annual reports, you will see the same reflection. You will see that it is not a burden on the employers at all.

It is falsely perceived by employees as something to go out and bash the unions on and, of course, to bash the workers on—who, more importantly, are the people we should be looking to protect with this legislation. But protect we are not. This legislation will make it more difficult for those people who are caught up in the tragedies of working life. If they are unfairly dismissed, the cost will be borne by them—if, indeed, they can get to the commission and have their case heard.

I have had a lot of dealings with many companies of many varying sizes. I have always asked that question: what does the unfair dismissal matter mean to you? In at least—and this is anecdotal, but I do not think my figures would be too wrong—90 per cent of those cases, they do not even see it as an issue. There is no issue with them. They have not sacked anyone and they do not intend to. Those employers who say, 'It's going to be a burden to me,' must not be very good to start with—they have not got their management structures in place and, indeed, they have a mean streak to start with. Perhaps they should look for a different vocation other than managing.

The senior management of those companies that I dealt with, ranging from very large corporations to those companies that run three or four employees, do not see any difficulties with the unfair dismissal laws as they are. They do not see that there is an onerous burden on their shoulders by doing this, and they certainly do not see that there is a need for substantive change.

Debate (on motion by **Senator Ian Campbell**) adjourned.

INFORMATION TECHNOLOGY: OUTSOURCING

Return to Order

Senator ABETZ (Tasmania—Special Minister of State) (6.27 p.m.)—I seek leave to make a brief statement in relation to an order for the production of documents that was sent to me earlier today.

Leave granted.

Senator ABETZ—At about 5 p.m. today I received a letter from the Clerk informing me of an order that was agreed to by the Senate earlier today. The order states that the material requested should be presented to the Senate by 26 March 2001. Given that I received the order only at about 5 p.m. today, it was obviously impossible for me to comply with this request. Further, I have forwarded a copy of the order to the Acting Minister for Finance and Administration, Senator Kemp. Senators should understand that the acting minister, Senator Kemp, is the responsible authority for these orders, not me. Given that I have agreed to contain myself to the bare facts and not make any disparaging comments of the Labor Party in putting this forward, I thank the Senate for the opportunity to clarify the record.

Sitting suspended from 6.28 p.m. to 7.30 p.m.

WORKPLACE RELATIONS AMENDMENT (UNFAIR DISMISSALS) BILL 1998 [No. 2]

Second Reading

Debate resumed.

Senator LUDWIG (Queensland) (7.30 p.m.)—I rise to speak on the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2]. I was hoping tonight to speak on a bill about the year 2000 or even 2001, but it seems that we have resurrected the Workplace Relations Amendment (Unfair Dismissals) Bill from as far back as 1998 to bring it on for debate and final resolution. It is not a bill I am unfamiliar with. It seems to have been floating around for quite some time. From memory, I think it has been debated in this chamber some eight times in the past. I recall the previous minister, Mr Reith, tried to introduce the effect of this bill by regulation. If I recall correctly—though I am open to correction—it was before Christmas, which was an unusual time but a time when someone might have tried to sneak through a regulation and hope that no-one actually saw it. I certainly would not subscribe that to Mr Reith, but it was an unusual time to go about doing that.

The Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] is, at its heart, an unfair bill with respect to not only unfair dismissals but also its true nature. It does not introduce fairness. It does not introduce equity. It does not set about righting wrongs or fixing injustices. This government may wish to use its expertise to pursue these issues, but instead it seeks to take away people's rights. It seeks to limit people's rights. In fact, in the workplace relations area, this government seems hell-bent on circumscribing and delimiting people's rights. The government does that under the guise of the word 'reform'. The government says that it is really part of a workplace reform agenda. Of course, that does not prevent the government from setting about taking away people's rights under any label it wishes to place on it. What is slightly annoying—and perhaps more so for the people who might be subject to this bill if it were to pass—is that the government uses the word 'reform' quite improperly. It uses the word 'reform' when in fact it really means a backward step. What it means to say is: 'We want to support the big end of town.'

The government does that under the guise of helping small business and trying to assist business to compete effectively in the marketplace—not by looking at education, health or trade policies but by saying, 'What we need to do is deregulate the labour market.' What a term! We are talking about people. We are not talking about deregulating technology, deregulating a structure or moving from away one policy initiative to another policy initiative. We are talking about taking away people's rights to have fair and equitable access to a court of law or, in this instance, to a tribunal to allow it to adjudicate in relation to a dispute that may arise in the workplace. We are told in the explanatory memorandum to this piece of dastardly legislation that the purpose of subsection 170CE(5A) is:

> to specify the requirements for an employee (other than an apprentice or trainee)—

heaven knows why the government saves them—

> to be allowed to make an application under subsection 170CE(1) on the ground that a termination was harsh, unjust or unreasonable (or on grounds that include that ground). The requirements will be that, at the relevant time, the employee—

and here is the sting in the tail—

> had completed at least six months of continuous service with the employer; and
>
> was employed by an employer with more than 15 employees.

So there we have it. Should this bill pass, the government intends to gain access to unfair dismissals, to gain access to the tribunal which has been set up to look after the interests of employees—and employers, I should add. An employee will have had to have completed a six-month period of continuous service and be employed by an employer who employs 15 or more employees. So there are two hurdles to jump over.

In a steeplechase this government might excel, but in relation to employees it is quite unfair to say that to access a tribunal you have to fit yourself within those two circum-

stances. We already understand that the mobility of employees in Australia is quite high. We already understand that a small business might have more than 15 employees or fewer than 15 employees. We already understand that the federal sphere does not cover the entire field—there are state jurisdictions and a federal jurisdiction as well. And now the government is saying that, in relation to this narrow scope, this narrow ambit, these conditions should apply. These conditions are not positive initiatives. They are not about, as the government would have it, promoting employment; they are about taking away employees' rights.

Sometimes these conditions mask good policies of employers. Rather than all employers having one policy about how they should employ and how they should be flexible in addressing their employee requirements and being able to ensure that their policies and practices are reasonable so that if they are going to dismiss employees they do it in a fair and equitable manner, the conditions create a dividing line where those above the line are subject to the legislation and are required to keep a policy that is fair and equitable and those below the line are not required, by the looks of it, to do anything about it. Therefore, you can imagine that even amongst the employers there would be a little bit of concern that this bill is unfair and it could work against their own interests. It would not dawn on an employer to restructure the business to try to fit within the legislation. That possibility would be countenanced by some. They would not be the fair and equitable employers; they might be at the other end of the spectrum.

When you then look at the legislation as it is drafted you get into these definitional problems of who is and who is not within the legislation. In some instances some of those issues will be dealt with by regulation—that is within the bill itself. Others will come about because of the very nature of the two exclusions—employers may seek to address the issue by changing the nature of the employment of employees. In other words, they might say to the 16th employee in the business, 'I would otherwise have full-time work for you but it would be better to employ you casually or to employ two people instead of you,' to maintain a number which would then put them outside the scope of this legislation. In other words, employers would make decisions based on legislation rather than on good economic sound principles or profit motives.

Definitional problems might also arise if an employer changes the nature of their business—split the business into two or have separate companies. The argument might run that they would not do that, that it would not be commonsense. But, having experienced business in a number of occupations in the past—small business particularly—I recall on one occasion that, to avoid the trading hours legislation that was operating in Queensland at the time, businesses did split their businesses and did restructure their businesses to enable them to, as they would say, 'open their hours' and compete with the business down the road that they might otherwise not have been able to compete with because they had a different structure with fewer employees or they were a bigger business. So businesses will consider these issues and, if they possibly can, involve themselves in these types of practices. Sometimes it may not be commonsense to do that but still that does not appear to stop them. The second reading speech does provide some explanation. It says:

> The government is not reintroducing this bill because it wants to have an election over it. The government is reintroducing this bill to implement its mandate and policy and to unlock small business access to some 50,000 new jobs which would be created in the economy if this bill were passed.

Let us dissect the phrase. Usually when you say 'not' it is the real reason anyway, otherwise you would not have to deny it. There is not much of a positive statement that you could glean from that. But what you can glean from that is that the government says that it could be created. It does not say that this will happen, that this is a possible corollary of the introduction of the unfair dismissal legislation. It uses phrases that are fuzzy around the edges—to use a nondescript term. It does not say with any degree of particularity that if you introduce this legislation this will happen. What it says is that

this could happen. What it does not say is that down the track will small business continue to employ people or will they change the processes or will the government introduce more legislation to fix up changed business practices that may have eventuated? It goes on to say:

> The proposed small business exemption has been the subject of an almost unprecedented degree of political obstructionism.

The government use that phrase when they cannot negotiate legislation through this chamber. It is an unfortunate phrase to fall back on but the government appear to use it when they are unable or do not have the ability to negotiate an outcome through this house. They then resort to the phrase 'political obstructionism'. It is unfortunate, but we would certainly put up with it if it meant ensuring that unfair legislation does not pass. In my view and the Labor Party's view the government have not been able to demonstrate in any fair-minded way the reasonableness of this legislation, the necessity for it, or even where it will provide some material benefit to small business and to employees—in other words, in the labour market as well. If you were to introduce legislation to help small business then the Labor Party would be supportive of it.

The government could take another direction. They appear to have adopted our policies in relation to BAS and some of our policies in rolling back the GST. Those benefits will help small business. The Labor Party is not about being obstructionist in improving the lot of small business; it is about providing benefits in a fair and equitable way without impacting negatively on others in the marketplace. We are all in the marketplace at the end of the day, both employees and employers. Many small businesses operate more consensually than you would expect. Small business has to get on with its employees. As I recall, small business does provide incentives to employees and they do work together. Occasionally those relationships break down and they require the tribunal to assist them to work through those small issues.

I do not think that it is a matter that is easily put aside on the basis that the introduction of this bill would be a 'fix-it' for small business, unlock unlimited job opportunities and provide small business with the incentive to create employment. The truth of the matter is that small business with government support directed in appropriate areas and with assistance in relation to the more weighty issues that confront it, such as BAS, would be provided with greater opportunity to develop in the marketplace and create employment. The second reading speech states:

> The case for the passage of the bill is overwhelming.

I am overwhelmed by that statement! There is no clear argument that is overwhelming that I can find, let alone within the second reading speech. It refers, hopefully, to the Senate committee report on the area and very little else, except for perhaps a survey or two, to create a position where they can say that the position is overwhelming. In fact, if the case were put that that was the only thing that they relied on—and, from my reading of the second reading speech, there do not appear to be many other arguments being put forward—then, certainly, I would be underwhelmed that they use that to say there is a dire need for the introduction of this bill.

The difficulties, as I alluded to earlier, are also fairly clear. If we dissect the Commonwealth's responsibility in relation to industrial relations—let us do that for a moment—we see that the small business exemption that is offered here is a part of what this government has already tried to implement, and has implemented in some respects, through its so-called reform agenda—and that goes to caps on the number of claims that can be progressed through the unfair dismissal area. There are also other stops in the system, which include of course that federal legislation does not cover corporate associations; it only covers incorporated associations and the like. This legislation really brings it down to a very marginal area compared with the greater area where small business exists. Of course, that might also bring inequities whereby people could point to the federal sphere in particular and say, 'If this bill were introduced, it would be unfair because, while we are subject to state law, or while we are outside the cap, we are unable to access this

particular unfair dismissal provision encapsulated in this bill.' So you create this quite confusing position.

The supporters say—and I think they are bland statements, in truth—that it does not affect the rights of existing employees. As I have said, if you look at job mobility, it will affect employees. To say that it does not affect existing employees is quite erroneous when a person might leave a small business and return at some point and so then would come back under the legislation. Supporters say that it is necessary to ensure the continuing growth in employment in small business. There is no evidence of that. Some of the supporters of this unfortunate bill say that it was a mandate given to this government to pursue; I think it is more of an election campaign issue that this government is pursuing. The critics of the proposed bill justify the case for why this bill should not proceed. They continue to say that the bill may encourage some employers to create artificial business entities to avoid the law by reducing the nominal size of their work force and the like.

The Industrial Relations Commission has the capacity to deal with this area in a fair and equitable manner. This government should support the Industrial Relations Commission. It should leave this area to the Industrial Relations Commission and leave employers and employees to sort out the issues through consultation, and it should not intrude in an obstructionist manner.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (7.50 p.m.)—The debate on the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] is a very important one, and I thank all honourable senators for their contributions. I note that, once again, in relation to workplace relations legislation—according to the research provided by Senator Alston—all of the speakers from the Labor side, with the exception of Senator Cooney, came into this place as long serving executives of various trade unions. Senator Collins is from the Shop Assistants Union; Senator Hutchins, who declared his interest, said he was a proud lifelong executive member of the Transport Workers Union; Senator Cooney is a successful industrial advocate; and I do not know about Senator Buckland. I will have to ask Senator Alston's research assistant to update his list; Senator Buckland is not mentioned. But I would be incredibly surprised, after listening to Senator Buckland's impassioned speech, if he was not a long serving executive of a union. Perhaps, by way of interjection, one of the union delegates opposite would give me the acronym of his union.

Senator Cook—There are only honourable senators sitting opposite you.

Senator IAN CAMPBELL—Honourable senators and former representatives of trade union movements, who are still proud members of those unions, I presume.

Senator Cook—What has this got to do with the bill? We are all specialists in industrial relations—and you are not.

Senator IAN CAMPBELL—So they are not prepared to tell me whether Senator Buckland was a member of a union, but I am sure he will come in here and tell us himself one day. Although you can be flippant about these things, I think it is actually important when you are weighing up people's rights and responsibilities, as federal parliaments have been required to do for nearly 100 years in this nation, to know why people take their positions.

Senator Ludwig, from the Australian Workers Union in Queensland, has made the point, in 20 minutes of speech, that he cannot glean why we want to bring in this legislation. He cannot see the other point of view. I can actually see the Labor point of view. They believe that if you centralise control of workplace relations, if you believe truly in your own heart that the individual rights of workers, of employees, in Australia can only be protected if they are members of a union and have a union to protect them, then they have no rights and the unions must have a special place protected by legislation. That is the only way you could have that point of view.

Senator Hutchins, from the Transport Workers Union, referred in his speech to some research conducted this year, I believe,

for the Victorian Trades Hall Council by Sweeney and Associates—I think that was the name of the company that conducted the survey. It found that, of 400 randomly selected small businesses, 39 per cent said that unfair dismissal laws affect their business. The Labor Party people opposite say, 'Oh, it is only 39 per cent of people who are worried about the unfair dismissals anymore.' Some other Labor speakers on this bill said, 'This is all about having double dissolution election triggers.' If you seriously go around after the Ryan by-election saying that it is all about politicians listening to what the people are saying, one of the messages out of Ryan is, in fact, that the people of Australia do not like being taken out to unnecessary by-elections a few weeks after an early state election. There is a whole range of messages out of Ryan.

Senator Cook—Why did Moore create the by-election?

Senator IAN CAMPBELL—Quite right, Senator Cook. That, I believe, is a serious issue out of Ryan. But what I am saying is that if you say you have to listen because of the messages coming out of by-elections and other state elections, then you should listen to the 39 per cent of small businesses who will tell you that unfair dismissal legislation is a serious concern to them. In fact, 46 per cent of small businesses in the survey conducted by Sweeneys for the Trades Hall Council said that industrial relations issues were of concern to them. And in the Yellow Pages small business survey, 79 per cent of businesses said that they would employ more people if it was not for the unfair dismissal laws.

It suits the Labor Party senators opposite to just ignore all of that, not to listen to that but to listen to their union mates who see a protection for their own place in the sun by having a highly centralised and highly regulated industrial regulations regime. So they come in here saying, 'There is no call for this.' If they are highly organised, if they are a member of the Australian Labor Party, if they come from a union background and they have two ears, then they hear their union mates saying, 'We do not want to water down unfair dismissal laws because it keeps us in business.' But they do not listen to the 39 per cent of small businesses who say that unfair dismissal laws affect their business.

If you go out and talk to small business people about issues of concern to them—and I make a point of talking to as many of them as I possibly can wherever I go—they still talk about unfair dismissals. It is in their top two or three issues every time you talk to them—and you wonder why we bring this reform into the parliament so often! The trouble, I suspect, is that small business people have given up hope of ever seeing this reform come in. When they are looking at employing extra staff, they make a decision based on the fact that they know they have to take a risk every time they employ someone. So small businesses have made a decision that this is a serious problem and it does affect their employment decisions.

Quite frankly, if Labor Party people want to go out and tell small businesses that the unfair dismissal laws in this country are okay, then go out and do it. We want you to nail your colours to the mast. Mr Beazley came out last week and said he had problems with funding his policies because he did not have any policies. I really wish you would nail your colours to the mast and go and tell them what your policies are. I want to go around to small businesses and say that, in the Senate's last sitting week, you refused small businesses access to the ACCC's powers to run representative actions under 45D and 45E. Labor Party senators, with the assistance of their friends in the Democrats, said to small businesses, 'If you want to take on Coles and Woolies or any other big business with the assistance of 45D and E under Trade Practices Act, you can't do it.'

Senator Jacinta Collins—Hear, hear!

Senator IAN CAMPBELL—Thank God for the interjections—I hope *Hansard* got them. They have said to small businesses, who all say they want relief from these unfair dismissal laws, 'You can go jump as well.' That is their attitude to small business. In government they gave them 32 per cent interest rates, the highest continuing inflation this country has ever seen, a million unemployed people, the fringe benefits tax and unfair dismissal laws, and they are now pre-

tending to be the small businessman's friend. Yet when we come into the parliament and say that we want to listen to those 39 per cent of small businesses in Victoria and the many small businesses right around Australia and that we want to give them relief—only to those with 15 or fewer people in their employ and only applying to new employees, so it is very targeted relief—then the Labor Party and the Democrats join together and say, 'No, we will listen to the people of Australia, but only if they are members of a union or a union executive.'

With all due respect to the honourable senator, it is absolutely misleading for Senator Buckland to say to the Senate that this hypothetical person in the hypothetical fish and chip shop would be sacked because he dared to ask about his $3.50 pay. The person that Senator Buckland refers to would not have their rights circumscribed—or limited, to use Senator Ludwig's words—at all. What he says is totally untrue. Under the Workplace Relations Act, it is unlawful for an employer to terminate an employee's employment where the reason for the termination includes the fact that the employee has made a complaint. I refer the honourable senator to section 170CK.

Senator Buckland has come in here with another excuse for his opposition to the bill. Labor senators have been saying, 'Fifteen—how do you determine that? Why not make it 16? Why not make it 14?'—arguing boundary issues. Then Senator Buckland has said someone might get sacked if he complains about his wages—another straw man. Senator Buckland purports to know something about industrial relations. If so, he knows that he got up here in the Senate and totally misled the place about the effect of this bill—or he has been misled; I do not know. The bill, if passed, will not prevent employees of small business and employees in their first six months of employment from seeking redress for unlawful termination of employment, including on the grounds mentioned by Senator Buckland.

Senator Jacinta Collins interjecting—

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Order, Senator!

Senator IAN CAMPBELL—An employee who claims that his or her employment was terminated because he or she has made a complaint about underpayment or wages can also bring an action under the freedom of association provisions of the act, part 10A, sections 298K and 298L, and the passage of this bill will not prevent this at all. Furthermore, even if their employment has been terminated, an employee can still take action against the employer for a breach of the relevant award, agreement or contract of employment. For Senator Buckland to assert otherwise in this place is absolutely wrong.

The Labor Party are opposed to this because it undermines the role of their mates in the trade union movement—their brethren. The government stands proudly on wanting to ensure that workplace relations in this nation is moved forward. Senator Ludwig says that the government sees reform of workplace relations as a way of 'circumscribing, limiting or taking away rights'. In fact, we believe in giving the rights to the individuals, recognising that human beings should have the rights, not a cold-faced organisation like a trade union, or a government or a tribunal.

Senator Cook—How do you spell 'cold' in that instance?

Senator IAN CAMPBELL—Cold, C-O-L-D. A cold-faced, anonymous organisation, propped up by legislation—

Senator Cook interjecting—

Senator Jacinta Collins interjecting—

Senator Calvert interjecting—

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Senator Campbell.

Senator IAN CAMPBELL—Thank you, Madam Acting Deputy President, for your support and your magnificent chairing of this second reading debate! It is an absolute pleasure to be serving in a chamber with such an exquisite chairman!

Senator Ludwig makes the point that, if you seek to decentralise control over workplace relations, if you seek to place faith in the individuals, if you seek to ensure that workplace relations are worked out between the employer and the employee, that is

somehow undermining their rights. It is in fact giving rights to people and ensuring that, if they want to find redress with the support of an organisation like a trade union or if they want to find redress by going to a court, then it is a decision that is open to them as free individuals living in a free nation. I happen to believe that that is by far the best way to protect individual rights. Senators opposite—who continue to interject and chatter and laugh—would believe that the only way that you can protect individual rights is to force people to join a union and to ensure that you take away rights from individuals and place those rights in the hands of a select few. The select few opposite who contribute to these workplace relations debates are part of a highly centralised workplace relations organisation and structure that grew up in this country over decades and has ensured that virtually all of the people who held high office in trade unions around Australia, if they played their cards right, if they were loyal to the right faction, would sooner or later end up with a seat in the Senate. That is one of the reasons why it is very hard for a government that is committed to ensuring that individual employees in their workplaces have freedom to make decisions on their own account—not be dictated to by people sitting in the trades halls councils who tell people what they think is right and do not allow individuals to make their own decisions, and who will not allow reform of workplaces to go through this place. We are committed to this legislation because small businesses are telling us, loud and clear, that they will employ more people if we put this reform into law. If we allow exemptions under the unfair dismissal provisions for small businesses, they will employ more people.

Senator Jacinta Collins—It didn't happen in Queensland.

Senator IAN CAMPBELL—I am reminded by the honourable senator opposite, who when it comes to interjecting tends to have verbal diarrhoea, about employment growth in Queensland. Yet another furphy put forward by the Australian Labor Party. They say, 'It did not help in Queensland.' What do the employment figures in Queensland show you? We have Senator Buckland coming in here, misleading the Senate about the rights of an employee in a fish and chip shop, saying the rights of that person will be taken away when in fact they will not, and we have Senator Collins saying it did not help employment in Queensland. For the period of similar exemptions in Queensland, employment growth was in fact 10.5 per cent for businesses with 20 or fewer employees, compared with a 6.3 per cent growth in a similar period prior to the introduction of that reform. I think this makes the point that, when you make a comparison between the employment growth in Queensland with this reform in place and the employment growth immediately prior to that, there was a significant increase in employment in the small business sector when this reform was in place in Queensland.

The Labor Party opposite do not listen to what 39 per cent of small businesses in Victoria say about the unfair dismissal laws. They will not listen to the small businesses when they say they want relief from the unfair dismissal laws. They say that, based on statistics, employment in the small business sector will not grow when in fact in Queensland it did grow. But do you know the saddest thing about the Australian Labor Party's position on this? To protect their mates in the union movement and in the trades hall councils around Australia they are not even prepared to accept the word of small businesses which say, 'We would employ more people if we didn't have the unfair dismissal laws.' They try to find, through some contortion of the statistics, a reason to say that employment will not grow. But when small businesses say, 'You unburden us from these laws and we will employ more people,' they say, 'We don't trust you. You won't do it. We won't even give it a go.' We want to give it a go. We want to give young people a go, we want small businesses to employ them, yet this mob opposite, this disgraceful mob which wrought such economic havoc on small businesses during the 1990s—

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Order, Senator Campbell! It is not parliamentary to describe the opposition as you did. Please withdraw it.

Senator IAN CAMPBELL—As a disgraceful mob?

The ACTING DEPUTY PRESIDENT—In other words, the words you used are unparliamentary. Please withdraw them.

Senator IAN CAMPBELL—I will withdraw.

The ACTING DEPUTY PRESIDENT—Thank you, Senator.

Senator IAN CAMPBELL—This mob opposite will not even give small business people the benefit of the doubt. This mob opposite will not give young people in Australia the opportunity to be employed by small businesses. They would rather protect the rights of a small minority of trade union officials against all those people who wish to be employed and all those small businesses who wish to employ them, because they stick up for their own selfish vested interests. *(Time expired)*

Question put:

That this bill be now read a second time.

The Senate divided. [8.14 p.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes……	31
Noes……	36
Majority……	5

AYES

Abetz, E.	Alston, R.K.R.
Boswell, R.L.D.	Brandis, G.H.
Campbell, I.G.	Chapman, H.G.P.
Coonan, H.L. *	Eggleston, A.
Ellison, C.M.	Ferguson, A.B.
Gibson, B.F.	Heffernan, W.
Herron, J.J.	Hill, R.M.
Kemp, C.R.	Knowles, S.C.
Lightfoot, P.R.	Macdonald, I.
Macdonald, J.A.L.	Mason, B.J.
McGauran, J.J.J.	Minchin, N.H.
Newman, J.M.	Patterson, K.C.
Payne, M.A.	Reid, M.E.
Tambling, G.E.	Tchen, T.
Tierney, J.W.	Troeth, J.M.
Vanstone, A.E.	

NOES

Allison, L.F.	Bartlett, A.J.J.
Bishop, T.M.	Bolkus, N.
Bourne, V.W.	Brown, B.J.
Buckland, G.	Campbell, G.
Carr, K.J.	Collins, J.M.A.
Conroy, S.M.	Cook, P.F.S.
Cooney, B.C.	Crossin, P.M.
Crowley, R.A.	Denman, K.J.
Evans, C.V.	Forshaw, M.G.
Gibbs, B.	Greig, B.
Harradine, B.	Hogg, J.J.
Hutchins, S.P.	Lees, M.H.
Ludwig, J.W. *	Mackay, S.M.
McKiernan, J.P.	McLucas, J.E.
Murphy, S.M.	Murray, A.J.M.
Ray, R.F.	Schacht, C.C.
Sherry, N.J.	Stott Despoja, N.
West, S.M.	Woodley, J.

PAIRS

Calvert, P.H.	Ridgeway, A.D.
Crane, A.W.	Lundy, K.A.
Ferris, J.M.	Faulkner, J.P.
Watson, J.O.W.	O'Brien, K.W.K.

* denotes teller

Question so resolved in the negative.

CUSTOMS TARIFF AMENDMENT BILL (No. 4) 2000

Second Reading

Debate resumed from 1 March, on motion by **Senator Ellison**:

That this bill be now read a second time.

Senator SCHACHT (South Australia) (8.18 p.m.)—The opposition supports the Customs Tariff Amendment Bill (No. 4) 2000. Some people might say that this is the 'rats and mice' bill that picks up on and overcomes a number of administrative mistakes that this government has made in administering the tariff system in Australia. I will not be quite as uncharitable as that, because as a former customs minister I know that, no matter how hard you try in issues as complicated as the tariff list in Australia, from time to time, despite the best efforts of the officers, occasional slip-ups will be made in the definition of what should be in the table and what should not be. All governments try hard with this, and although my government, when we were in office, certainly tried very hard, occasionally we had to bring in legislation to amend the tariff act to take account of the fact that there had been some administrative difficulty.

The major issue of this bill, though, is not an administrative difficulty. It is about outlining the agreement reached between the Australian government and the American government over the Howe Leather company issue. This is a saga that goes back to the time of the government I was a part of, and it has flowed through to be resolved only in recent times. I have to say that, generally, I find it extraordinary in many ways that the American government—which is without fear or favour whenever it has felt its own interests are at stake—has intervened and has used tariffs and penalties to protect its own industry, irrespective of whatever else its administration may say about free trade, and that, whenever the heat has been applied in a particular local area of industry in America, the American Congress and the American administration have always backed away from supporting their rhetoric in favour of free trade.

One of the most notorious examples was the Jones act, which has protected the American domestic shipbuilding industry for over 100 years now. You cannot sell ships into the American market for domestic use along the coast, because that trade is reserved for shipbuilding in America. We have a very efficient, highly effective fast-ship building industry in Australia that is world competitive and does not rely on subsidies or protection, other than a small shipbuilding bounty which is very modest by comparison with what most other countries provide. We have maintained in opposition, as we did in government, that that bounty should be maintained until all the other countries producing ships come clean and sign the OECD agreement on shipbuilding to get rid of the subsidies amongst the major players. We quite rightly said that we will sign on when we see the colour of the money of the United States and of Western Europe.

Senator Cook—The US knocked it back twice.

Senator SCHACHT—As my learned senatorial colleague and shadow minister for trade—and Minister for Trade in seven or eight months time—quite rightly points out, the United States knocked back the opportunity to sign the agreement, under domestic pressure. So they have a warped and rotten system of protection for the shipbuilding industry in their country, and this is to the disadvantage of the efficient fast-ship builders in Australia that are now world famous.

Take another area: sugar. The Americans have consistently provided protection for the production of sugar cane in America. This has meant that efficient producers, such as Australia, are at a disadvantage selling into what is a very big domestic market. Some years ago in America, a major manufacturer of confectionery in Chicago, employing 800 workers making confectionery, closed the factory and said, 'We can't compete with imported confectionery if we can't use world's best price for sugar. If we have to pay the highly subsidised price for American sugar, our confectionery is no longer competitive.' So, in a short-sighted way, the American government sat by and watched a major manufacturer close, and 800 jobs went out the window.

We all know that, about nine months before the last American presidential election, suddenly out of nowhere the American government announced tariffs on the importation of Australian lamb and sheep meat. This was done apparently to protect a very small number of what could only be described as hobby farmers in the Rocky Mountains region, I understand, of the United States: farmers who had a few sheep and wanted to protect their market. In many cases, as I say, they were hobby farmers and not major meat producers. But that tariff went on, and that affected access for Australia into that market.

Looking back at the history of the Howe Leather arrangements, I have to say that our good and powerful friendly allies the Americans are not very friendly when it comes to trade matters when dealing with Australia. I know that all sides of this parliament have at times expressed exasperation at the Americans' inability to match their rhetoric on free trade with what they actually do. Indeed, Americans take on and complain about Howe Leather and then go to the WTO and complain about leather arrangements; but when asked whether they will allow the WTO to deal with agricultural markets and products, they and the Western Europeans sit

on their hands. We have not been successful in getting the WTO to deal with agricultural commodities in the way it has been dealing with manufactures in other areas—and regional areas, and in particular our farmers, have suffered.

The Howe Leather company in Australia is an example of which we should be proud. Instead of exporting raw skins overseas to be made into leather for someone else to do the value adding, Howe Leather developed in Australia a high quality leather product, value adding, so that we would export the leather and not the skins. Certainly that company did this with assistance from Australian industry programs at a time when the Labor Party was in government. I think those arrangements were available to any company that wanted to invest in developing leather and other related products in Australia. The Americans did not mind Howe's activities until it got serious about winning contracts in America. In May 1995, Howe won a $75 million contract to supply leather for car seats used by General Motors. As more contracts followed, the two companies that had previously dominated the US market requested that the US government launch a World Trade Organisation challenge, based on the assistance that had been provided to Howe.

Howe had been rewarded under the export assistance grants that we had provided, and I believe those grants are available to any company, Australian owned or foreign owned, operating in Australia. The program does not discriminate about who owns the company as long as it is based in this country. The WTO rule was that Howe had to pay back the $30 million it had received in government assistance. The Clinton administration also threatened to impose tariffs on imports of Australian wine. That threat was a very serious one to be made to our growing wine industry. The Americans had picked an industry that we would be sensitive about and then threatened to undermine it. They also threatened beef, car parts and other unrelated goods that had nothing to do with leather. But, generally, they had a scattergun approach and picked out the most vulnerable industries and threatened to put a tariff on them unless something was done to Howe.

Of course, at the time, if Howe had had to repay $30 million to the Australian government, it would have put the company out of action; it would have liquidated the company, and several hundred Australians workers would have lost their jobs. After a long period of negotiation—at times I think it was far too long—a settlement was come to between Australia and the US, and that is what this bill deals with. According to that settlement, Howe will be required to pay $7.2 million over 12 years, automotive leather will be ineligible for grants under government and industry schemes, and tariffs on a range of products will be suspended for 12 years. The government has also agreed to remove leather from being eligible for support under the Textile, Clothing and Footwear Strategic Investment Program scheme and the Automotive Competitiveness and Investment Scheme.

American weight has been brought to bear on the Australian government. And the Australian government? A judgment is asked for here. Did it give in too early? Did it fight it out? Did it give too much? I suspect that in the end Australia might have had to give too much—but we are a smaller economy than the Americans are, and the Americans can say, 'Well, you can't really threaten us.'

I do note that in other areas America relies on Australia. We have joint facilities in this country. Some years ago, even Tim Fischer, when he was leader of the National Party, put it on the table. If we continue to be treated like this by America on trade matters, sooner or later the continued existence of the joint facilities in Australia will come into question. We cannot have a powerful ally use our ability to provide it with assistance in world security terms, though it is good for the world, but have our industries undermined and threatened in the way they are here. We cannot expect that we will always be involved, under United Nations arrangements or resolutions, in peacekeeping forces with other Western allies under the leadership of America. We have never backed away from that. We have always put our hand up, even if there has been a domestic dispute about it.

We have been doing that for 50 years, but we have not got back from the Americans commensurate treatment for what is supposed to be a close ally.

We have very similar attitudes to America in supporting human rights, democracy and those related issues around the world. But America have to understand that they cannot expect us always to go to the same well when our farmers and our rural communities in particular are being affected by the American policies of overprotection, and they cannot take direct action against us over one particular company to teach us a lesson. I wish the Americans had spent more time attacking the European community over its agricultural policies than picking on Australia, which is an ally through the Cairns Group. The Cairns Group has done more to promote free trade, and particularly trade in agricultural products, than any other group established in the world.

The other thing that I really find interesting is that the government has had to remove tariffs on a wide range of consumer goods. This list is really interesting. The present five per cent tariff, as I understand it, will be removed from a number of products, including: microwave ovens, skis, home glassware, pruning knives, outboard motors, food mixers, hair clippers, condoms, digital tape recorders, video projectors and vacuum flasks. I suppose that, when you go and have a look, every one of those items is manufactured in and exported from America. We have had to give away a whole range of items, where the tariff is removed for a period of years, to settle the Howe dispute.

The speech notes say that none of these items is actually produced in Australia in any large numbers, if at all. When you look at this range of items, it seems odd to me that we do not have any industries in Australia that can produce at least some of these items. The ubiquitous condom should be able to be produced in Australia. I presumed Pacific Dunlop, with their Ansell brand, did produce these in Australia, but obviously they are imported. Digital tape recorders, video projectors and vacuum flasks all seem to me to be value added products that we ought to be producing in Australia under a vibrant, active industry policy. Minister, I would be interested if you could provide us with information on how this list of products was drawn up. Did the Americans actually put an ambit claim in and did we negotiate down from a much larger list of items? Minister, I do not know whether you are here to take the bill or whether you are just in here on duty, but I would appreciate it if the minister representing the customs minister could give us some information about that. It does seem a very odd collection of items. I would like to know how this list was reached.

The Howe Leather matter really is about the issue of trade policy and industry policy writ large and about what it means to have an economy of our size trying to get our companies to become world class, to value add and to sell their products on the world market because of their quality and price. I cannot see why a country such as Australia, or any country, cannot provide some assistance, under certain transparent rules, to companies to grow and establish a factory or a process so that the product is produced.

If we want to look at the greatest subsidy of all in America, which the Americans hide and say is not a subsidy, it is the amount of money the American government give to defence contractors for R&D. They say, 'This is not assistance to our industry; this is national security. This is for our defence program.' Anybody who studies the American defence industry and American industry knows that, overwhelmingly, the R&D expenditure for defence flows back into industry and gives America an enormous advantage in establishing new quality products and new technologies which are then produced and sold in a civil market around the world. But the Americans will not count that R&D expenditure or make any concession that some proportion of the R&D they give to the defence manufacturers, running into tens of billions of dollars a year, flows into the domestic market.

I know that the Howe issue has bedevilled this government and bedevilled the government I was a part of when it was first raised, but I really think it ought to be put on record that, though we have a very close political and strategic friendship with America and

we agree on a lot of things in the world, their treatment of Australia on trade issues has been abysmal. If this is how they treat an ally, it is not much different from being an enemy. If this country does not have a viable industry employing people, we will not be much advantaged promoting the issues of democracy and human rights around the world. The opposition support this bill, but we hope that our American friends do not see it as necessary in the future to attack their friend Australia on the issue of trade. I commend the bill in some sorrow that it has come to this, but we will support it and we hope this is the last time that we have such a bill dealing with the action the American government have taken.

Senator COONEY (Victoria) (8.37 p.m.)—I have listened to Senator Schacht—who was in the good old days a very good Minister for Customs, may I say, and who did much to bring some civil rights to the area—and have heard him take the United States to task, a place which you now know a considerable amount about, Mr Acting Deputy President Ferguson. Over Christmas, two friends of ours—a husband and wife—came over from America. The husband teaches in one of the Ivy League universities there. The wife teaches at the other end of the scale. To her university come a lot of fine Americans, mainly from migrant backgrounds—many have migrated from Mexico and other countries to the south of the Rio Grande—or African-Americans. She said that the interesting thing about these people is that they all make the same observations which are general throughout America: that America is the centre of the world, that America is the most powerful country in the world, that America does not really have to worry about the rest of the world and that Amercia can afford to be inward looking. She said that the remarkable thing about all those observations is that they are absolutely true.

That brings us to the point—whether we are talking about the Howe Leather case, the lamb case or all those other matters that Senator Schacht raised—that, in dealing with the United States, we are dealing with the most powerful country in the world. It is therefore very difficult to get fairness in trade.

I remember being in the United States on one occasion some years back when we went to see the people in Congress. They welcomed us in a way you would be very familiar with, Mr Acting Deputy President, and told us how much they liked Australians. We thought that this would be a great opportunity to talk to them about their market enhancement scheme. We said, 'It would be great if you took away the enhancement you gave to produce from the land which you send overseas, because that takes our markets.' You could see them looking at us and, although they liked Australians—they liked us and would very much like to please us—they saw absolutely no votes at all for them in the next election or preselection. Then they looked at mid-America and the situation there where there are lots of farmers and they saw lots of votes for them. It seemed to me that our case was lost before it started. I have not seen anything to change that situation and I think the same applies with the European Union.

Those great markets and centres of trade in the world are clearly going to play a major part in what happens. We can rant and rave as the chilly winds blow but we cannot do much about it except what we have done—that is, to see what we can negotiate. I think we have had some great negotiators over the years. Mr Michael Duffy, who was minister for trade, was very good. He is a personal friend of mine and that is why I mention him, but there have been others who have tried to do their best. No doubt we are tempted to talk about alliances and how we have helped the United States over the years. That is pretty true: we have helped many a nation and done great things. This is a country that does punch above its weight, which is often said because it is true. What can we do? We can try to reach an agreement that, as far as it is possible given the balance of negotiations, puts Australia at the greatest advantage and helps it in its trade.

The Customs Tariff Amendment Bill (No. 4) 2000, on what has been told to me here, contains provisions to correct mistakes that have been made. In cases such as fibreglass

fabric, tariffs have been taken off and are now being put back on because when they were taken off it was thought that there were no manufacturers in Australia of the particular product and then it was realised that there were. That has happened in a number of instances. As Senator Schacht says, these sorts of things happen. It is better that they should not happen but there we go. Then he went into the issue of Howe Leather and how protracted that was. Given the situation, I think the one thing that Australia could do is present its cases better, whether as a country that wants to press a case or defend a case.

That brings me to the rules and procedures governing the settlement of disputes of the World Trade Organisation. I notice Senator Coonan is in the chamber, and she is presently chairing a subcommittee of the treaties committee which is looking into this issue. I do not want to anticipate matters that will arise from that but, although the Department of Foreign Affairs and Trade does a good job and pursues these matters as well as it can, there is room for a more focused approach to the issues that arise in this area. I do not want to commit myself—and I am sure Senator Coonan does not want to commit herself; we are both very open-minded in all this—but it does seem that, when a system is set up on the basis of rules which set out how agreements that have been reached between parties are to be dealt with if they fall into dispute, you need to have people who are very familiar with the way rules work, with the way the law works and with the facts of this issue.

I do not know the details of the Howe Leather case—I do not know that at all—but I would be surprised if Howe Leather did not have, over the years, legal advisers, for example, who knew the circumstances of their trade and the circumstances of the difficulty they got into and who knew intimately the way the system worked within Howe Leather. Knowing that, those lawyers would have been able to give considerable assistance to the Department of Foreign Affairs and Trade if that were necessary. I have a considerable impression that that was necessary. They would also have known the law. If they did not know the law, they could have brought people in who did know the law.

When we are a small nation amongst very powerful ones in terms of trade, in terms of the way the markets are ordered around the world, and when we have to rely on agreements and the proper method of dealing with those agreements, we need to be as smart as possible. I hope the department disabuses me of this impression as time goes by, but I have the impression that the people in the Department of Foreign Affairs and Trade are not necessarily the greatest minds we have in Australia on matters that are commercial and on matters of presenting a case which needs a long-time knowledge of the facts relevant to an industry and a deep knowledge of that industry. We need to present that as well as can be presented before the tribunal which decides these issues, the dispute settlement body within the World Trade Organisation.

It is important that every advantage that we can gain from prosecuting our cases before these bodies under the World Trade Organisation we should gain. We are up against countries that are very powerful and, if we want some sanctions against these countries, they are very difficult to enforce. We can say, 'We won't trade with you,' or, 'We'll withdraw these advantages that we have given you as a country,' be it the United States, the European Union or Japan. But, if we withdrew from trading with them, their loss would not be as great as ours: we would cut off our nose to spite our face. So we have to act very smartly and very cleverly to ensure that, when these agreements are brought into dispute, they are resolved—under these rules—as far as possible to our greatest advantage. That is the way we have to start to think.

It is no good to suddenly have a case come upon us, whether it be Howe Leather or the lamb issue, and starting to prepare the case then. We have to think ahead, think where we are going and do much about it before the problems arise. The only way we can do that is to have people who are used to running cases helping the Department of Foreign Affairs and Trade to present these matters. I will give an illustration of what I mean by reading article 13 of the rules and

procedures governing the settlement of disputes. It states:

1. Each panel—

and a panel is a mechanism within the organisation to gain information and knowledge—

shall have the right to seek information and technical advice from any individual or body which it deems appropriate. However, before a panel seeks such information or advice from any individual or body within the jurisdiction of a Member it shall inform the authorities of that Member. A Member should respond promptly and fully to any request by a panel for such information as the panel considers necessary and appropriate. Confidential information which is provided shall not be revealed without formal authorization from the individual, body or authorities of the Member providing the information.

So that contemplates that, if a dispute arises, the panel can get information and advice from the relevant members of the World Trade Organisation. In this case it would be the two parties in dispute, although there is provision elsewhere in the rules to say that a third party can come into the dispute.

I would have thought it was absolutely essential that the facts that are marshalled at that stage—that is, at the very early stage when this panel is coming into operation—should be full and accurate and that any facts put up by the other side should be fully tested to the utmost. I get the feeling—and these are only impressions, there are no final conclusions—that a lot of this work is not done as fully as would be desirable. To put it the other way, if I were on a charge of murder, I would want a lot more work done on my behalf than seems to be, at times, done in this area. I am not, in this sense, suggesting that there is negligence or a falling away from the duty that the department must exercise—I am sure they do all they can do. What I do say is that when a group of people come on issues like this cold—where they have no familiarity, say, with lamb or leather, and where they have no deep and thorough knowledge of the law and the way to put it—if there is some help to be got from outside, that help should be obtained.

The sorts of things that Senator Schacht was talking about are things that we might raise with countries like the United States, Japan and the European Union. But I think the most effective action that we can take is to make use of the terms of the agreements that are made, and make use of the procedures by which they are resolved if they come into dispute. By making use of those things, we can forward the interests of Australians in the best possible way.

There is no doubt that we face formidable opposition to this, as was pointed out in one of the meetings that we had with people in the World Trade Organisation. The Japanese put out literature for us in Australia to read which sets out in a very seductive way why Japan should be allowed to have barriers to protect its own agriculture. In the same sort of way, Senator Schacht was talking about the United States using its military research and development to develop all sorts of goods and services which should not be protected but are protected because of the label given to them. The United States does that, and so does Japan with its food. Indeed, so does the European Union, in many other ways.

Perhaps there is another way we could look at this: we could expand our population and decide to become a market. Senator Schacht was talking about condoms before. Perhaps we could put a very high tariff on them and start to produce a very big population, and thus establish a market. Unless we are willing to take drastic action like that, I think we have to start looking at ways we can use these rules in a better way than we presently are.

Senator LUDWIG (Queensland) (8.57 p.m.)—I rise tonight, unaccustomed as I am to speaking in relation to the customs area, to speak on the Customs Tariff Amendment Bill (No. 4) 2000. This amending bill is short; it seeks to amend only a couple of areas. The major amendments in this bill are directed at amending the Customs Tariff Act 1995 by, firstly, reducing the duty on some 30 tariff subheadings from five per cent to three per cent as part of a settlement between Australia and the US over assistance provided to the Howe company. I will not go into the full name; Senator Cooney tonight and a couple of other speakers have referred to it. I might

come back to that area. The amending bill also seeks to accord a five per cent tariff margin to imports to Australia from Angola and Madagascar.

In addition—and this is perhaps one of the most unfortunate aspects of this bill—it seeks to reintroduce a five per cent rate of duty on imports which cover woven fibreglass fabric. That is one of the unfortunate things that have come about because there has been a general view that, if a nuisance tariff exists, the nuisance tariff should obviously be removed or taken from the field. Perhaps it is just one of those things that slipped through the net, or perhaps it is a more serious occurrence than that—we will give the department or the various people involved the benefit of the doubt—but in fact a manufacturer does exist in that area. Of course, it would be unfair to not allow the tariff to be removed under the nuisance heading where a nuisance tariff should not apply to anyone; whereas, in this instance, it has been removed and it had to be put back in place to ensure that the idea of the nuisance tariff is not cavilled with. The bill deals with a number of other matters which I do not intend to refer to this evening.

Senator Cooney has stolen a significant amount of my thunder in relation to some of the issues I wished to speak on tonight. But, be that as it may, I will nevertheless try to add to the debate rather than simply cover the same field. Interestingly enough, Mr Truss, the member for Wide Bay, the Minister for Agriculture, Fisheries and Forestry, on 6 December, in his second reading speech on the Customs Tariff Amendment Bill (No. 4) 2000, mentioned a number of matters. In particular, he said:

> Finally, this bill reintroduces a five per cent duty rate on woven fibreglass fabric from 1 September 2000. The duty on these goods was removed in December 1999 as part of the nuisance tariff exercise—

which I referred to earlier this evening. He then went on to say:

> One of the criteria used to determine the existence of a nuisance tariff was that there was no local production of the goods covered by that tariff item.

The explanation that we were given was that, despite an extensive consultative process, a producer of these goods was not identified. But it did arise in any event. I guess it was one of those things that sometimes happens—an unfortunate oversight—or perhaps it was a reflection of more serious things, but we will leave that for perhaps another debate. The intention was not to disadvantage the local manufacturer and, as a consequence, the duty on this item has been reinstated. That seems to have raised sufficient problems. When you go down the track of removing nuisance items or putting them under that heading, there is always one that proves the rule—and in this instance that did arise.

The other major area which the customs tariff amendment bill seeks to impact upon is the Howe Leather case. I will give a short synopsis of the case. The dispute occurred around 1995 when Howe Leather was successful in winning a major US contract to supply leather for car seats used by General Motors Holden—at least that is what the *Age* of 22 June 2000 advised. By the look of it, the company went on to be reasonably successful and more contracts followed. The downside to that was that, on the other side of the ledger, it appears that some US manufacturers missed out or no longer dominated the area—something which, given the American experience, is not usually taken lying down. In this instance the manufacturers requested, or managed to persuade, the US government to launch the World Trade Organisation to challenge the basis of any assistance that was awarded to Howe Leather—or Howe, which is the more generic term—in export assistance grants. Subsequently, to cut a long story short, the WTO ruled that Howe had to pay back some $30 million that it had received in government assistance—at least that was the outcome according to the *Canberra Times* of 22 June 2000.

The press of the day reflected the troubles that might beset Australia if it did not fix the issue. As I understand it, and I think Senator Cooney also went to this issue, the Clinton Administration threatened to impose tariffs on imports of Australian wine, beef, car

parts, et cetera—the list was quite considerable—unless, to put it bluntly, Australia required Howe to repay the $30 million of government grants the WTO had declared in contravention of the rules—or illegal, as the *Age* of 22 June seemed to say. The government's response was to announce on 21 June that it would remove tariffs on a wide range of consumer products—a mixed bag of goods, including skis and the like. I think Senator Cooney mentioned a number of items which I will not go to, but I am sure anyone reading *Hansard* would be able to guess what they were. There was a joint media release by the Minister for Trade and the Minister for Industry, Science and Resources on this issue.

The terms of the settlement included that Howe would pay at least $7.2 million over a 12-year period, that automotive leather would be ineligible for grants under government industry schemes and that tariffs on a range of products would be suspended for 12 years. I think there were a couple of other terms as well, including that leather would be ineligible for support under the Textile, Clothing and Footwear Strategic Investment Program Scheme—at least that is what the joint media statement went to. I will not go into that in any great detail other than to give focus to what the debate this evening might be about.

We support the Customs Tariff Amendment Bill (No. 4) 2000. We support the measures to ensure that nuisance tariffs are fixed and we also support the measures to ensure that the Howe Leather issue is fixed. However, to provide some background to the debate, I would like to comment on the way the government has handled the matter. Mr Kerr, during the second reading debate on this bill in the House of Representatives, gave some insight as to our view on this matter. His second point, after dealing with the nuisance tariffs issue, states:

> The resolution of that—whilst of necessity a matter—

that is the Howe matter—

> which comes before the chamber and which we support—again reflects poorly on the administration of the government over a substantial period of time, a period of time which has caused considerable uncertainty to those employed by Howe Leather, and no doubt has caused considerable concern to those in the management and ownership of that company who have seen this battered around the place like a ping-pong ball ...

Although the settlement was, it appears, trumpeted by this government, I think it masks a longer and deeper story. The matter also was reflected in questions without notice in the House of Representatives in which the World Trade Organisation was mentioned. Mr Tim Fischer, on 21 June 2000, asked a question addressed to the Minister for Trade, Mr Vaile. I will not quote the whole question, but I have given the *Hansard* reference so that if anyone wanted to follow that up they could. Mr Fischer asked:

> Would the minister advise the House of any developments in the World Trade Organisation long-running Howe Leather dispute in the United States?

Perhaps that was an admission by this government that it was a long-running dispute and that the government was a shade neglectful in the way it dealt with the dispute to allow it to run on for so long without resolving it in a more effective manner. Perhaps it is not only the ineffectiveness of the government to be able to shorten the dispute but a systemic problem that exists within the government—in other words, the inability to be able to address this area of WTO or dispute in a pragmatic and practical way and to allow these things to go on for so long. Quite unusually, Mr Vaile responded:

> We cannot underestimate the significance of reaching a satisfactory conclusion to this and avoiding the possibility of hundred of millions of dollars worth of retaliation that may have been levelled at Australia's wine industry or beef industry, as the member indicated in his question. The US is our second largest export market and is worth about $13 billion annually.

As I have given the *Hansard* reference, if I have taken it out of context I am sure that will be raised. To put it in some context—and not to take it out of context—it appears on the one hand that Mr Vaile recognised that it was a long-running dispute. At least it was not denied, and I think the facts speak for themselves. Interestingly enough, Mr Vaile also recognised that leverage was

applied in the sense that a conclusion had to be negotiated because of the apparent retaliatory action by the US in relation to Australia. The underlying importance is that a negotiated settlement would help to safeguard 700 jobs within the Howe company.

There is a recognition that the government did handle the dispute poorly. It let it get to a position in which the market applied an amount of leverage to Australia that said, 'If you do not settle the matter and come to a concluded settlement'—and perhaps I can even add the words 'under US terms'—'then there will be significant retaliatory action.' The government took the spin that it should be applauded or congratulated for coming to that position of avoiding the nasties contained within the retaliatory action. One wonders whether or not the whole issue may have been avoided if the government had been a little pragmatic about the matter and dealt with it in a more holistic sense—in other words, embraced the concept of the WTO dispute settling procedures and been proactive in coming to the concluded view that we may have got to a position without having to say we were effectively levered into it.

A question without notice asked in this house on 21 June 1999 by Senator Cook to Senator Hill in which the matter of the Howe judgment was raised may shed some light on that. Senator Cook, in asking a supplementary question, made the point:

> While you are referring it back to the minister—

that is the question about Howe Leather and how the position came about—

> will you also ask him why the government will not make clear to the United States that, if they put a tariff on lamb that breaches World Trade Organisation rules, we will lodge an appeal with the World Trade Organisation?

The WTO has an effective dispute settling procedure. It allows appeals to be lodged and matters to be progressed in a firm, legal way. But, of course, this government did not do that in relation to this matter. It chose to say that, after a long, protracted dispute after leverage was applied and the media managed to maul it, it came to a concluded negotiation. In relation to the US, short, sharp litigation may have been the better choice. It would at least have allowed an appeal process to be put forward.

I go to a submission by the Law Council of Australia that was put to the Treaties Committee. Without trying to take it out of context, the matter addressed the brief of the Treaties Committee in relation to the WTO and the matters that might impact upon the Treaties Committee. I found this submission on the web, so I do not think it takes us outside the realms of what is available. The Law Council of Australia, in talking about Australia's capacity to undertake WTO advocacy, highlighted a telling statement. They said:

> Australia appears to have a small team of highly competent and experienced WTO advocates. While their past endeavours are to be commended, it is likely that increased resources and community liaison could only enhance that capacity. Effective representation through the WTO requires a combination of various fields of professional expertise. The Australian Mission has not had a strong tradition of legal representation as part of the team in Geneva although this may have changed recently.

Without taking it too far, I think the Law Council of Australia is having a shot at, or at least criticising, the ability of this government to practicably deal with the dispute settlement procedure in the WTO and the capacity of the department to be able to, in this instance, effectively present the case to the WTO. It also makes that point in relation to Howe Leather specifically. It states:

> WTO advocacy that does not sufficiently include those private interests is highly problematic. For example, in the recent *Howe Leather* dispute, there was an intergovernmental agreement not to appeal the outcome of the Panel's findings. When there was a decision adverse to Howe's interests, including a surprising decision to demand retrospective repayments of the subsidy, the private company lost out on the potential for challenging that finding.

It would be interesting to explore that statement a little further, but, unfortunately, my time is coming to an end. It highlights the fact that this government seems to have made a bad decision, through poor planning and poor work, in relation to its lack of understanding of the role and place of the WTO. It should understand that the WTO, in

relation to certain players such as the US, should be pursued vigorously and people's rights for an appeal mechanism should not be denied. I think it was poor form in the end to actually trumpet a decision that was not that good. *(Time expired)*

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.17 p.m.)—I thank senators for their contributions to the debate on the Customs Tariff Amendment Bill (No. 4) 2000 this evening. The proposed amendments in this bill have previously been tabled and debated in the other place. I will run through those, in short. Part 1 of the schedule to the bill contains a number of unrelated amendments: firstly, Angola and Madagascar have been added to the list of least developed countries; secondly, it implements duty reductions on 30 tariff subheadings from five per cent to three per cent as part of the settlement reached between Australia and the United States in the Howe Leather trade dispute.

In that regard, I will refer to the question posed by Senator Schacht when he asked how the tariff items were chosen for the Howe Leather settlement. I am advised that Customs was not involved in the development of that list of items. I understand, however, that in most cases the goods listed were chosen for inclusion in the Howe Leather settlement in part because of the limited impact on Australian industry. In many cases, the goods are covered by tariff concession orders indicating there is no local manufacturer in Australia. In view of this, the impact on local businesses is considered to be minimal.

Finally, in relation to other matters in this bill, item 54 of schedule 4 has been amended to allow import credits earned under the textiles, clothing and footwear import credit scheme to be used until December 2001. Parts 2 and 3 contain amendments to items 17 of schedule 4 to the customs tariff legislation. This item, which provides concessional entry for goods which have been exported from Australia and subsequently reimported in an unaltered condition, is being amended to more adequately reflect the original policy intent—that is, you do not impose duty twice on the same article which is imported on two different occasions. Part 4 reintroduces the five per cent duty rate on certain woven fibreglass fabric that was removed as part of the nuisance tariff exercise. Despite extensive consultation, a producer of certain woven fibreglass fabric identified itself after the duty reductions were introduced, and so not to disadvantage local manufacturers, the duty on these goods is being reinstated. I commend the bill to the Senate.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator SCHACHT (South Australia) (9.20 p.m.)—I do not want to delay the Senate too much on the Customs Tariff Amendment Bill (No. 4) 2000, but in my speech on the second reading—and, Minister, you may have answered my remarks while I was walking back into the chamber—I asked whether the Americans put an ambit claim in for a much longer list of items that they wanted the tariff removed on to reach a settlement on the Howe Leather case. I do not need the answer to be provided now, but I would like you to take it on notice. In the information provided, there are a number of items, which I read out, amongst others, that are included in the bill. It says in the explanation of these items—which I will not read again because the information is in the second reading speech—that there is no known manufacturer in Australia for the products subject to tariff reduction. That is the advice written in an article in the newspaper. Is that correct, or are there any manufacturers in Australia of those items on the list which I read out before? I trust they are correct—microwave ovens, skis, home glassware, pruning knives, outboard motors, food mixers, hair clippers, condoms, digital tape recorders, video projectors and vacuum flasks. Could you give advice in the committee stage now?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.22 p.m.)—I did answer the first question that Senator Schacht posed, which did in part answer that second question. Some of these items, I understand, are not manufactured in Australia, but I do not have the list of which

ones. I will have to take that on notice. In answer to the first part of Senator Schacht's question, as to the ambit claim by the United States, this list was prepared by the Department of Industry, Science and Resources and I will have to obtain that information from the department.

Senator SCHACHT (South Australia) (9.23 p.m.)—If some of these items are made by manufacturers in Australia, were those manufacturers consulted before we agreed to take the five per cent off?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.23 p.m.)—Again, that was an aspect dealt with by the Department of Industry, Science and Resources and I will have to take that on notice.

Senator SCHACHT (South Australia) (9.23 p.m.)—I appreciate that. The other issue that leads me to is that, whenever you remove a tariff, even one at only five per cent, you are reducing the revenues to the government as a tariff is a tax. I know that over the last 15 years the reduction of tariffs in Australia, from very high levels to no tariffs now on many products, only five per cent on many others and 15 or 25 per cent on textiles and automobiles, meant that the revenue went down by many billions of dollars. How much revenue was forgone in taking the five per cent tariff off the items listed in this bill to meet the agreement with the Americans?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.24 p.m.)—The advice I have in relation to that is that the projected costing for this exercise is a loss of revenue to the government of less than $2 million per annum.

Senator SCHACHT (South Australia) (9.24 p.m.)—Howe will repay the $7.2 million themselves—is that correct?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.24 p.m.)—Yes.

Senator SCHACHT (South Australia) (9.25 p.m.)—As far as Treasury or the industry department can estimate, would that $2 million have been the figure for tariff revenue for at least five or 10 years?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.25 p.m.)—I understand that the duty rates were due to come down to zero by 2010 anyway. If that is incorrect I will come back to the Senate and amend it, but my initial advice is that it is a case of the duty rates going down to zero by 2010 in any event.

Senator SCHACHT (South Australia) (9.26 p.m.)—Does that mean we are forgoing approximately $20 million in revenue over the decade to when the tariff would have been removed anyway?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.26 p.m.)—It being just less than $2 million, as I understand it, and as we are dealing with nine years, it would be something less than $18 million. If that is incorrect I will also get back to the Senate.

Senator SCHACHT (South Australia) (9.26 p.m.)—The settlement said that automotive leather will be ineligible for grants under government industry schemes. Were there any firms in Australia other than Howe getting grants for the production of automotive leather?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.26 p.m.)—Again, that is a matter dealt with by the Department of Industry, Science and Resources and I will take that question on notice.

Senator SCHACHT (South Australia) (9.27 p.m.)—It was also agreed in the settlement for the government to remove leather from eligibility for support under the Textile, Clothing and Footwear Strategic Investment Program and the Automotive Components Investment Scheme. Again, do we have any information about what I would call a loss, not a saving, because we could not provide assistance under the TCF program for leather?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.27 p.m.)—I will take that on notice.

Senator SCHACHT (South Australia) (9.27 p.m.)—I appreciate, Minister, that it is another department. Was leather a major part of the TCF Strategic Investment Program or

was it a minor part of what I think was a $800 million program over a decade?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.28 p.m.)—The difficulty we have here is that the TCF program is administered by the Department of Industry, Science and Resources, and Customs does not really have any involvement with that. I do not have any instructions on the matter and I will take it on notice.

Senator SCHACHT (South Australia) (9.28 p.m.)—Can I get this clear: in the administrative arrangements change that took place a couple of years ago, I thought most of the industry aspects of Customs and the administration of tariffs and things like policy by-laws, et cetera, were transferred to the industry portfolio, or is that administration still with the customs department?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.29 p.m.)—The administration is with the Department of Industry, Science and Resources.

Senator SCHACHT (South Australia) (9.29 p.m.)—Therefore, this bill is more to do with the industry portfolio than it is with the customs department?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.29 p.m.)—For this part of it, I suppose Senator Schacht could be forgiven for thinking that the Department of Industry, Science and Resources does have the major involvement in the policy and administration of the program. But it is a tariff, it is combined with other matters in this bill which I have mentioned, and it is appropriate that Customs be the agency that has carriage of the matter. This bill is, after all, the vehicle through which these matters are put into effect.

Senator SCHACHT (South Australia) (9.30 p.m.)—Minister, were the negotiations at the international level at the WTO and the bilateral negotiations with the Americans over the Howe settlement conducted by the Australian Customs Service, the Department of Foreign Affairs and Trade or the Department of Industry, Science and Resources?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.30 p.m.)—The advice I have is that it certainly was not Customs and that it was more likely Trade and/or Industry, Science and Resources. But I will take that on notice and confirm that.

Senator LUDWIG (Queensland) (9.31 p.m.)—This is a matter that arose during an examination of this material during the second reading debate. I understand that you may have to take this on notice but, in relation to the Howe matter and the settlement thereof, I am curious about the reasons behind the settlement rather than about the appeal process. Was that a matter that went to the inability of the department to successfully take advocacy in the international fora or was there some other reason that may not be quite apparent from the records that I have seen but which would demonstrate the reason for the settlement? Of course, to rule out one of the obvious replies, a negotiated settlement is the better course. You might temper the reply by my view that America is a different kettle of fish; the US is a litigious place. It may be a rule where a negotiated settlement might be preferable in other countries—perhaps in Europe, where they are more accustomed to negotiating these things.

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.32 p.m.)—I understand that matter was dealt with by the Department of Foreign Affairs and Trade. I would have to seek advice from them. I will take that on notice. Different aspects of this bill have been dealt with by the different departments and, understandably, Customs is not in a position to provide these answers.

Senator SCHACHT (South Australia) (9.32 p.m.)—Minister, can your advisers tell us whether there are any other trade issues in dispute at the WTO between Australia and the United States of America?

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.32 p.m.)—The advice I have is that there are none that Customs is aware of. However, we will check on that and advise the Senate accordingly, if there is a need to.

Senator SCHACHT (South Australia) (9.33 p.m.)—Then is the Howe case the only one in the last decade on which the Americans have taken us to the WTO? I suspect it is, but I am not sure.

Senator ELLISON (Western Australia—Minister for Justice and Customs) (9.33 p.m.)—We would need to check on that one. We will take it on notice.

Bill agreed to, without requests.

Bill reported without requests; report adopted.

Third Reading

Bill (on motion by **Senator Ellison**) read a third time.

LAKE EYRE BASIN INTERGOVERNMENTAL AGREEMENT BILL 2001

Second Reading

Debate resumed from 1 March, on motion by **Senator Ian Campbell**:

That this bill be now read a second time.

(Quorum formed)

Senator BOLKUS (South Australia) (9.37 p.m.)—The Lake Eyre Basin Intergovernmental Agreement Bill 2000—which has, as we know, been brought on very late tonight—is important legislation, in one sense, in that it symbolises a very important statement of direction by the Australian parliament in respect of the Lake Eyre Basin. In some other respects, it is legislation which in essence reflects the force of protection already available to the Lake Eyre Basin. I do not need to speak at length on this legislation, other than to say that the bill gives legislative approval to the Lake Eyre intergovernmental agreement which was signed on 21 October 2000 between the Commonwealth and the states of Queensland and South Australia. It is an agreement which was overwhelmingly welcomed by the communities concerned. An important aspect of this agreement is that this was a community driven process; one which was quite successful in this particular instance, resulting in the agreement being signed by the relevant governments.

The agreement in fact comes into force when it has been approved in legislation by the Queensland and South Australian parliaments. Though technically there may not be a requirement in the agreement for the federal government to introduce legislation, I think the decision to do so is an important one. It does confirm not only the government's commitment but the parliament's commitment to a sustainable management future for the Lake Eyre Basin. When we talk about the Lake Eyre Basin we are talking about a monumental area of Australia, encompassing enormous portions of Queensland, South Australia and the Northern Territory, with a touch of New South Wales.

It is important for this parliament to approve such legislation at a time when the issue of sustainability is an increasingly pressing one in the minds of an increasing number of Australians. That is increasingly important, because I think there is a realisation that the way that we are using our resources in this country is not sustainable. That is of enormous concern not just to the environment movement, a movement which has for a long time had primary interest in and concern for these sorts of issues, but also for another part of the community, which in some respects may not have been as vocal or as strident in terms of its actions but has been just as caring and concerned and just as effective in lobbying as the environment movement has been, that is, the broader community: those who use the resources, particularly the farming community, the rural community, and communities living in their vicinity. There are a lot of people who are concerned about a sustainable future for our resource base, our land base; and that concern has been reflected in the way that the community has driven the outcome for this particular basin, for the protection of the basin.

Basically, this legislation confirms a commitment to the future sustainable management of the Lake Eyre Basin and to the protection of dependent environmental and heritage values. Anyone who has spent some time there, as I have done—particularly last year but also over the years—could appreciate the enormously impressive characteristics of this basin. One only has to go to, for instance, the Georgina-Diamantina catchment

area, the Cooper Creek catchment area, to see that there we have an enormous degree of ecological life—wildlife, bird life and natural habitat—that is probably one of the most underestimated, underpromoted and underappreciated parts of Australia, but one that has nestling within it an enormous degree of diversity of natural life and habitat.

So, firstly, protection is important; secondly, understanding of the characteristics is important; thirdly, promotion is important; and, fourthly, protection in its promotion is an important aspect of this area. I have been to Kakadu quite a number of times. I have been to the Cooper Basin a few times. I must admit that the extensiveness of the wildlife in that Cooper Creek catchment area is something which I think needs to be appreciated by an increasing number of Australians. We do not appreciate this area as much as we should. Although technically this bill may not have any real legal enforceability, it is an important statement by this parliament and an important reflection and endorsement of the community driven process that has led to this outcome, and the opposition supports it.

Senator BARTLETT (Queensland) (9.43 p.m.)—The Democrats are also pleased to support the Lake Eyre Basin Intergovernmental Agreement Bill 2001. In looking at this issue and the various aspects of it, I have had a look at the *Hansard* record on this particular issue and, in many ways, I was not surprised to discover that the Democrats have raised the matter of the management of the Lake Eyre Basin on very many occasions over the last 20 years or so. In particular, former Democrat Senator John Coulter had a particular interest in the management of the Lake Eyre Basin and had spent a lot of time in that area himself, along with other people over a long period of time, gathering information to support the Democrats' views that the area should be better managed and, indeed, supporting the nomination of the area for world heritage listing, a proposal that was announced by the Keating government during the 1993 election campaign.

It is notable that the legislation that we are debating tonight reflects the conclusions drawn by the Democrats back in the early 1990s, that the management process needs to include all the various stakeholders and be primarily a bottom-up approach, if it is to be a success. It is probably worth reflecting on the words of the minister in the second reading speech, in terms of the importance of that approach, which is basically the need for a comprehensive management approach to the Lake Eyre Basin:

> Ensuring that the Basin's values are protected for present and future generations requires an ongoing partnership involving governments, industry and the community. This Bill and the Lake Eyre Basin Agreement will strengthen and build upon the regional catchment management framework already established by the Basin community ... as part of the Lake Eyre Basin Regional Initiative.

Those words of the minister indicate that this is a partnership and that it is more of a bottom-up approach, which involves better management of the area. That it is such an important area and has various stakeholders who have been involved in aspects of it for a long period of time highlight why it is so important to have people involved in it from all those different perspectives. Land-holders in the region do have a vast repository of knowledge in relation to land management, and that can be databased and accessed for future generations. Quite a bit of progress has been made in recent years, and repair of some damaged and degraded land has come along quite well after the exclusion of non-native animals.

There are proposals to export organic beef from the region—a proposal that, as a vegetarian, does not necessarily appeal to me personally. But, if the raising of meat for human consumption is to be undertaken, it may as well be conducted in a manner that minimises the effect of harmful agricultural practices on the environment. The development of markets such as those does attract a premium. Again, if we are going to pursue such methods that are value adding, it is beneficial to ensure that it is done in a way that does minimise environmental damage. If the region is to develop as an organic production zone and, more importantly, realise its tourism potential, as well as preserve the biodiversity and other important environmental aspects of the region, it is crucial to minimise the effects of various human activities on the

environment. In particular, I think it is crucial to look at other agricultural operations in the area, such as proposals to grow cotton in parts of the region, in terms of what the impact of that on the environment may mean—and particularly in terms of water usage.

There is still a long way to go in terms of how the area is best managed. But I think this particular bill does provide some opportunity for better future management and for ensuring that at least we are on a forward path. I think there are still some more issues to be addressed, some of which have been raised before by the Democrats many times over quite a number of years. That will be something that we will be continuing to look at. But, as with any issue that at least moves us in a forward direction, we are happy to support this legislation. We will always point to what other things need to be done, but we will not stand in the way of ensuring that things move in a positive direction.

Senator HILL (South Australia—Minister for the Environment and Heritage) (9.48 p.m.)—I take this opportunity to thank honourable senators for their support of the Lake Eyre Basin Intergovernmental Agreement Bill 2001. It has been a long process to get it to this stage, but it has had good community support. In fact, as Senator Bartlett has said, in many ways it has been a bottom-up approach, working with and to the community's aspirations in relation to the Lake Eyre Basin. It has had support from the South Australian and Queensland governments. We have got a negotiated agreement to look to for the sound management of the basin in the future, and that agreement is now being endorsed through this legislation and will be ratified by legislation in the South Australian and Queensland parliaments. I believe that the bottom line of this process will be that the public can be more confident in the sound management of the basin and its natural resources for the future.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Order! It being 9.50 p.m., I propose the question:

That the Senate do now adjourn.

Wool Industry: Australian Wool Services Ltd

Senator SANDY MACDONALD (New South Wales) (9.50 p.m.)—Tonight I would like to take the opportunity to update the Senate briefly on the government's successful privatisation of the Australian Wool Research and Promotion Organisation—AWRAP. This was a statutory board, it was financed by growers through a four per cent compulsory levy and it had responsibility for both promotion and research. The promotion part of the organisation was handled by the Woolmark Company, which was formerly owned by the International Wool Secretariat, and the other part of the operation was the research and development corporation. The Senate will recall that, in 1998, there was a no-confidence motion passed in AWRAP, and the McLachlan task force made a number of recommendations with respect to the future of the wool industry, particularly with respect to the operation of Woolmark and also the operation of future research and development. The government delivered on these recommendations with the privatisations of the Australian Wool Research and Promotion Organisation and the creation of the new Australian Wool Services company.

This company and its subsidiaries commenced operations on 1 January this year as a company limited by shares under the Corporations Law, meeting the target date set by the minister for agriculture. Australian Wool Services has two subsidiaries: Australian Wool Innovations Pty Ltd, which manages the wool levy and funds the R&D and innovation; and TWC Holdings Pty Ltd, which has taken over the work of the Woolmark Company, concentrating on the commercial development of the Woolmark brand and its sub-brands and the commercialisation of intellectual property matters. The new structure was developed in consultation with wool growers and from the McLachlan recommendations. It provides for increased contestability and competition in the appli-

cation of wool levy expenditure, which has been reduced from four per cent to three per cent with an expectation that it will be reduced to two per cent; it allows wool growers to have a more direct say in the levy expenditure and to have shareholding in the commercial activities of the company; and it allows for increased accountability to the Commonwealth in the expenditure of wool levy funds and the Commonwealth matching R&D contributions.

The successful start of Australian Wool Services followed the passage of the Wool Services Privatisation Bill in the Senate early in December last year. At the time there had been concerns that the passage of the legislation may have been delayed by the contingent liability relating to the claim by Cape Wools of South Africa for its share of equity holding in Woolmark, but this matter was settled prior to the conversion, and the passage of the legislation proceeded without delay. AWRAP and Cape Wools settled the dispute on 30 December 2000 and former AWRAP chairman Mr Tony Sherlock has said that he considered that the $11.25 million payment to Cape Wools was 'appropriate and realistic'. Moreover, the settlement was an amicable one, and Cape Wools has the option to take up to seven per cent of equity in the Woolmark Company at some stage in the future for a sum of money to be negotiated, with the agreed price to be uplifted by 12 per cent per annum.

On 19 December 2000 the minister signed off on key documentation, including the companies' constitutions and the statutory funding agreement covering the flow of levy funds from the Commonwealth to the company. Wool growers' reaction to the company continues to be positive, with over 36,000 wool growers out of approximately 45,000 applying for shares. This represents around 70 per cent of growers paying wool tax to the company at the time of conversion. Australian Wool Services have advised that the share certificates have now been distributed to wool growers, and they are currently awaiting confirmation from the computer share registry that the distribution has been completed. It is worth making the point that there are a number of wool growers who are entitled to shares in Australian Wool Services—both the research and development company and the company that owns the Woolmark—who have not taken up their shares. I understand that Australian Wool Services will shortly be spending some time and energy in directing publicity to those wool growers so that they can take up the shares that they are entitled to.

The company has contacted 1,500 wool growers for additional information to validate their claims. If they do that, I expect at least another 1,400 wool growers will receive the shares that they are entitled to. I also understand that the AWS chairman, Mr Rodney Price, is currently conducting a public awareness campaign via radio interviews, both on the ABC and in the media generally, to raise awareness in those growers who may be eligible to apply for shares but may not have done so yet. Although the initial call for applications for shares in the company closed last year, the legislation allows the Australian Wool Services company to still be able to issue shares during a six-month truing up period. Growers who are eligible are encouraged to contact the company directly. I make very clear to wool growers who have paid wool tax over the period of three years until 30 June 2000 that they are entitled to shares in both the company that owns the Woolmark Company and the intellectual property and in the research and development company.

Together with the very successful privatisation of Woolstock, the privatisation of the Australian Wool Research and Promotion Organisation has gone a considerable way to bringing Australian wool marketing up to date. It has been a most difficult 10 years for wool growers. Despite all the problems that have occurred over the last 10 years, wool is still our second largest primary industry export after wheat, but more importantly it spreads its tentacles much further than any other primary industry because it tends to impact on a number of others. The reason for that is that so much of Australia is ideally suited to wool production. If the wool price is up, that takes pressure off the fat lamb market, off the beef market and off the grain industry. For that reason, to see the wool

market proceeding forward, admittedly from a very low base, is very welcome news not only for wool growers but for other primary producers and for regional Australia generally.

Many of the country towns that all of us who live outside the metropolitan areas know and love were based originally on wool production, and then wool and wheat production. It was an industry that really developed this country. We all understand the folklore attached to the wool industry, not only on this side of politics but on the other side of politics as well. The modern Labor Party came out of the shearers strike of the 1890s. It has been a difficult 10 years, but the privatisation of Woolstock and now the privatisation of the Australian Wool Research and Promotion Organisation is good news for wool growers. It is also good news for regional Australia.

Disabled Peoples Incorporated

Senator BUCKLAND (South Australia) (10.00 p.m.)—I want to speak tonight about a small group of people who gain little recognition yet do so much for their community of Whyalla, and it is right that I raise the work of these people at this time, with 2001 being the Year of the Volunteer. It is right that as a nation we pay tribute to all those volunteers who help our nation sparkle on the world stage at events such as the Olympics and the Paralympics. It is right that we pay tribute to those volunteers who continually serve the community as firefighters, ambulance officers, emergency services workers, air-sea rescue and the like. It is right too that we pay tribute to and honour those who volunteer to work with the poor, the sick and the oppressed in overseas countries. It is right for me tonight to bring to your attention and put on the record the work of this small group of Whyalla volunteers who have done, and are doing, so much for their community. The group I refer to is Disabled Peoples Inc., commonly known as DPI.

The concept adopted by DPI embodies the very best in Australian culture: Aussies committed to helping Aussies because they care. DPI is a nonprofit association run by volunteers. The association has a management committee which is responsible for the overall policy making decisions and the day-to-day running of the services. The services are divided into two sections, one being the transport section and the other being the respite service at Amaroo Lodge for the elderly. Both services are closely integrated to ensure the best possible service for the client group.

DPI have a team of over 50 volunteers who cover all of the association's operations. As the request for accommodation increases at Amaroo Lodge, DPI have engaged five casual workers to assist in the running of the respite centre, along with three casual cooks. This means that the services are covered in the event of some volunteers not being available at certain times due to daytime or shift work arrangements. DPI attempt to employ people with some form of disability who may not have the skills to gain employment in the broader community but whose caring skills are of a great assistance to the association.

Apart from the aforementioned casual employees, the rest of the DPI services are managed by volunteers who receive no remuneration for their services. It is important to note here that DPI is completely free from political and religious influences. DPI Transport Services started in November 1982, when a few people came together to set as their goal the introduction of a transport service to meet the needs of people with disabilities. Within a month the group had grown to over 26 members. Today DPI has over 300 members in Whyalla. In 1984, the DPI was lent an old bus, which it shared with the St John Ambulance service for two days a week. Since those early days, DPI has purchased 22 vehicles, of which 21 have been purchased without any financial assistance from any government agency. With the most recent vehicle, the association was fortunate enough to gain a $20,000 grant from the state government. It cost the association a further $25,000 to have the vehicle converted with lifting ramps, seat modifications and the other things necessary to transport disabled people.

It is estimated that, since the start of DPI's operations in 1982, they have completed over 200,000 single vehicle trips. These trips include door-to-door transport to shops,

doctors, hospital, social events and trips to Adelaide and Melbourne. The cost of joining DPI is only $11 per year. The cost of a single journey is $3 for a trip in and around Whyalla, where the taxi service would cost some $8.50 to $10. DPI operate their normal services Monday to Friday and are available for evening and weekend work if required and if the volunteers are available. There are six vehicles in the fleet, some of which are modified for wheelchair and disability access.

In cooperation with the Whyalla Hospital, DPI operate the dialysis machine service for Whyalla people needing treatment at Port Augusta Hospital three days a week: Mondays, Wednesdays and Fridays. Recently they have been taking elderly people whose partners may be in hospital or in care facilities in the country towns surrounding the district to visit these partners. They can be as far as 300 or 400 kilometres away from the city of Whyalla. This is a new project, and the domiciliary services and the association see an expansion of such services, provided they can obtain some funding to operate the vehicles. The need is certainly there for that to occur. The only financial help DPI receive is $3,600 a year from Home and Community Care towards petrol costs which amount to about $12,000 a year. In their 19 years of operation, they have not been involved in a single accident involving any of their members.

Another service offered by Disabled Peoples Inc. is that of Amaroo Lodge. Amaroo Lodge was opened in November 1993 to serve the needs of elderly people and people with disabilities living in Whyalla. Amaroo Lodge was formerly a motel facility in the city.

Senator Patterson—A very good place—I have visited it.

Senator BUCKLAND—Thank you. I tend to agree with you. There are no board members or shareholders. The facility is run entirely by a management committee of volunteers. DPI receive no funding of any kind from either state governments or the federal government for this service. The funding needed to operate the facility comes from residents' accommodation charges, fund-raising and community donations. To my knowledge there is no other such facility in Australia that operates in the same manner.

Every item of furniture and bedding, curtains, sheets, towels, et cetera, and all the cooking equipment, and everything that is required to run such an establishment, has been purchased by the management committee. This has been done by fundraising, donations and a lot of hard work by the people concerned. DPI took over an empty shell of a building in 1993 and today they operate a homely and caring establishment that is appreciated by all who live there and those families who have relatives in the facility.

Amaroo Lodge provides good accommodation for elderly people who live alone and without family support and who cannot manage to do those daily chores such as cooking, cleaning and shopping but who are not in need of any form of nursing care. DPI hold a licence as a supported residential facility and not a licence for a nursing home and, therefore, do not employ nursing staff. In spite of their age and disabilities, Amaroo Lodge residents move around the facility and the community at a pace of their choosing and with dignity and independence. DPI do not provide any personal care but such care, if needed, can be provided by various community services such as domiciliary care, nursing associations and the like.

Since their opening in 1993 they have accommodated over 150 residents at no cost to either the federal government or state governments and I believe that they have saved such governments millions of dollars. This has been achieved by not receiving $1 in grants and providing a service that keeps such people out of the over-stretched hospital system. Madam President, I see that my time has all but expired. I seek leave to incorporate the remainder of my speech in *Hansard*.

Leave not granted.

Australian Defence Industries: Proposed Sale

Environment: Global Warming

Senator BARTLETT (Queensland) (10.22 p.m.)—I rise to speak on a couple of matters of significance this evening; firstly, a particular issue in New South Wales which

relates to the pending sale of the former Australian Defence Industries site at St Marys. This is an area of precious wilderness in the western part of Sydney which is at risk of residential and commercial development. A public meeting is being held this coming Sunday, 1 April to fight for this nearly 200 hectares of the former Australian Defence Industries site to try to protect it from sale and from inappropriate development. As with any area of wilderness and environmental value, it is always important to try to prevent inappropriate development occurring. But I think in this particular area it is even more important. It is about time that governments at state and federal levels followed their own environmental legislation in relation to this site. Governments around the country—and certainly in New South Wales and at the federal level—are trying to portray themselves to the electorate as environmentally responsible. At the same time they go ahead and pass legislation exactly opposite to what they brag about in press releases and TV ads.

This particular site in Western Sydney is quite unique. It contains about a quarter of the last remaining native ecosystems in Western Sydney. However, only six per cent of the site's original native vegetation coverage remains and a quarter of the known 190 plant species are rare or vulnerable. It is the last place that many native animals are found on the Cumberland Plain. The development proposal, ironically, would see the end of emus on Emu Plains. Instead of preserving this site, governments want to open up these precious woodlands, wilderness and native areas to accommodate urban population increases. It is particularly unfortunate that the first vegetative native species to be placed on the threatened species list—the Cumberland Plain woodland—is under threat from the New South Wales government, the same government that put it on that threatened species list in the first place.

It gets to a stage at which the community despairs of the growing and endless hypocrisy of governments in the area of development—you get regular statements about caring for the environment but at the same time processes go ahead that will inevitably result in destruction of that environment. There is no surer outcome in relation to the sale and redevelopment of this land than that it will be used for inappropriate development and that it will inevitably result in significant environmental destruction. I think people around the country—not just people from New South Wales or Sydney—would be clearly aware of the immense environmental consequences of the massive population spread over the last few decades. Enabling that to go unchecked in one of these few remaining areas is clearly grossly irresponsible. No-one can say that they do not realise what is going to happen if they allow this process to go ahead. Clearly, at the moment unfortunately governments are going to allow it to happen nonetheless.

It shows the importance of ensuring that, if the government no longer has a need for sites—whether Defence Force, Defence Industries or other government owned sites—for the original purpose for which they were used, those sites can be used in a socially and environmentally responsible way in the future. In this chamber, we had the rare opportunity—which, thankfully, the Senate grasped—in the debate on the Sydney Harbour Defence Force lands of ensuring that Defence Force lands were protected from future sale and were protected from inappropriate use. In the situation at St Marys, we have not been able to guarantee that and, unless the community can come to the rescue and bring its will to bear on this situation, we will see another inappropriate outcome and further environmental destruction.

I wish to briefly address the crucial issue of global warming and climate change and the strange but nonetheless very disturbing comments by government ministers—particularly Senator Minchin and the Minister for Foreign Affairs, Mr Downer. Minister Downer supports the backflip of the US President, who is backing away from attempts to introduce some minimal controls on carbon emissions. The US President made a decision not to regulate the carbon dioxide emissions of power plants, which reversed a pledge that the President made during the presidential campaign. He promised to set mandatory reduction targets for carbon di-

oxide. It is bad enough that the leader of the largest industrialised nation on earth has chosen to back away so quickly from that crucial pledge, but it is even more appalling that the Australian government has chosen to support him in that action.

Minister Minchin came out against emissions trading, saying that it is an extremist position, it is alarming and it would be devastating for the Australian economy, despite the fact that the government's own Australian Greenhouse Office has established a panel of experts to try and put forward proposals for the best way to go in relation to domestic emission trading systems. An emission trading subcommittee has been established under the Council of Australian Governments high-level group on greenhouse—again, to try and figure out the best way forward with emissions trading—yet we have the Minister for Industry, Science and Resources openly canning the whole concept as being a hugely damaging one.

The issue of climate change is incredibly urgent and, as every single piece of further scientific evidence comes forward, it is also clearly incredibly serious and more and more alarming. Yet we have statements repeated at the federal level and all other levels of government that try to get in the way of concrete action to address this crucial issue. Just a couple of weeks ago, Senator Minchin said that, if the greenhouse issue is to be effectively addressed, something has to be done about constraining emissions from developing countries. That is nice to know and is something that people would not disagree with. It is important to try and constrain emissions from developing countries. But you do not try and do that by doing nothing at all about constraining emissions from developed countries, from industrialised nations, yet that is what we have seen from this government and, unfortunately, from the US government. These governments are backing each other up in trying to prevent any constructive global action or local action in relation to this crucial issue. Even the Canadian government, who—in broad diplomatic terms—Australia and the US have been in cahoots with in trying to prevent constructive action on greenhouse issues, has criticised President Bush for what he has done in the last week or so. Yet Australia is still slavishly following the US on this issue and, I fear, even without the US lead, would still be dragging the chain more than virtually any other country on earth.

It is worth while to look at the comprehensive range of recommendations put forward by the Senate Environment, Communications, Information Technology and the Arts References Committee on greenhouse issues—the report entitled *The heat is on: Australia's greenhouse future—inquiry into global warming*—which, among a whole range of other things, spoke about the importance of an emissions trading regime as one step, not even the biggest step, towards reducing our emissions and trying to make some impact on Australia's appalling performance. Even if we are talking pure economics, it is worth emphasising that, if we do not do something about this issue now, Australia—apart from any other nation—will have to pay a huge economic price down the track. *(Time expired)*

Political Parties

Senator TCHEN (Victoria) (10.20 p.m.)—I rise tonight to speak on a topic that is rarely spoken about in this chamber, which is rather strange, given that the purpose of this chamber is to be one of the two highest political forums of the nation. The topic I wish to speak on is politics and political parties or, more precisely, the image of political parties. I shall proceed by way of a couple of recent events to illustrate how the image of political parties can have nothing to do with the reality of the same political parties.

Last weekend, the Queensland division of the National Party took what the Brisbane *Courier-Mail* called 'two difficult but proper decisions' that will help it retain its place as the dominant political party in rural Queensland. The first decision was to put the One Nation party last in its Senate preferences at the next election. The second decision was to re-endorse Senator Ron Boswell in the No. 1 spot on its Senate ticket. These are important decisions not only for the National Party but also for Australia. The National Party should be congratulated for making them and Senator Boswell should be congratulated not

only for his reindorsement but also for his courageous and successful efforts to persuade his party to stand by its proud history of serving the people in rural and regional Australia and its even prouder history of having helped lead Australia to greatness on the world stage as a trading nation.

I used the word greatness, and it is true. Today we sometimes forget that it was the National Party, under the leadership of the late John McEwen, that helped develop Australia into, proportionate to our population size, one of the most powerful trading nations and one of the most outward looking nations of the world. Since 1996, in coalition the National Party has again helped to repair much of the damage done to rural and regional Australia during the preceding decades due to the Labor government's neglect—neglect that has bred the kind of discontent that unscrupulous opportunists, typified by the One Nation Party, will seek to fan and use to seduce for their own aggrandisement. This kind of unscrupulousness Mrs Pauline Hanson demonstrated on the weekend, when she warned the voters of Queensland about the dangers of giving government to the Labor Party at the next election, because, if she did not get her way, she would direct preferences to the Labor Party. What a contradiction! However, that is Mrs Hanson.

As far as the National Party is concerned, I am enormously reassured by the fact that Senator Boswell and the National Party will stand as a bulwark against unprincipled opportunists, such as the One Nation Party represents, at the next election. Here, we look at the image of a party which is supposed to be conservative and which is denigrated as conservative by the Labor Party, and yet it has the courage—which the Queensland Labor Party, at a state election, did not have—to stand up against One Nation.

Now let me turn to a political party image of a different kind. One of the images which the Labor Party has laboured to acquire for itself is that it is supposed to be the party for the ethnic communities of Australia. It is supposed to be a party that promotes multiculturalism and ethnic diversity in politics. How does this image fit reality? Let me tell you the story of a Chinese Australian member of the Australian Labor Party, a man who has given faithful and loyal service to the Labor Party for 30 years, who is nevertheless a man who is not afraid to speak his own mind and to make his own decisions according to his own beliefs, which does not make him popular within the Labor Party. Nevertheless, he is a member with 30-plus years of service.

I have the privilege of knowing Robert Chong and have worked with him—in spite of our political differences—as a community advocate. I admire his persistence and his integrity, which are not often found in the party that he prefers to belong to. But I do value his contributions as a community worker and advocate and also as a representative with political interests in the Chinese community. Robert Chong is a councillor of the city of Whitehorse, a suburban municipality in Melbourne that includes the suburbs of Box Hill and Nunawading—what we might describe as middle Melbourne.

Like many other Chinese Australians who came to Australia in the sixties, Robert came as a student from Malaysia who, after obtaining tertiary qualifications, stayed on and became Australian by choice. He developed an interest in politics while he was still at university and joined the Labor Party then. As I said before, he served it loyally as a thinking member. Robert worked for the Australian Defence Organisation as a senior civilian staff member. He also developed his political interests as a community advocate for the multicultural community.

Four years ago he successfully stood for the council in the city of Whitehorse in an area which is predominantly mainstream Australian. He stood as an independent Labor candidate and not only got himself elected but also helped the endorsed Labor candidate to be elected. He served the council well and he served the community well. Three years later, in the year 2000, he was re-elected against a challenge by another sitting member, who came across the boundary thinking that he might be able to knock Robert off, because Robert was serving in a mainly Anglo-Australian area. But he lost; Robert won again.

With four out of 10 councillors, the Whitehorse City Council has been, if not a Labor controlled council, then at least a Labor dominated council. By this year, every one of the four Labor councillors except Robert Chong has served a term as mayor. One would have thought that 2001 would be Robert's turn to be mayor—the first Asian Australian to serve as mayor in middle Melbourne. In his four years on the council, Robert Chong has been easily one of the best performing members of the Whitehorse City Council. He is well known in the community; he is well regarded in the community. He could have stood for mayoral office before but has stood aside in favour of his Labor colleagues. This year should have been his turn, surely.

Two of the non-Labor councillors pledged their support. The local papers, a week before the election, anointed him as a shoo-in. When the vote was counted, Robert Chong had polled three out of 10 votes. The two non-Labor councillors had delivered their votes—one an Australian Democrat and one an Australian Green. Only the three votes from Robert's Labor colleagues were missing. What does this tell us of the difference between image and reality? When the numbers were counted, the Labor Party's votes were missing. When the crunch came, the chardonnay set of the Labor Party could not stomach the thought of an Asian Australian mayor in middle Melbourne. When the line was drawn, the Labor Party was on the wrong side. The image does not fit reality.

Senator Schacht—Which council are you talking about?

Senator TCHEN—The Whitehorse City Council in Melbourne. In the Queensland election, Premier Peter Beattie got away with not standing up to the One Nation Party. But it was not that he did not stand up to it; he did not want to stand up to it. The image does not fit the reality: the Labor Party is not interested in multiculturalism.

Member for Werriwa

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (10.30 p.m.)—I would like to respond to the outrageous abuse of me by Mr Mark Latham, the member for Werriwa. His unqualified medical diagnosis was provided on 6 March during speeches in the second reading debate on appropriation bills Nos. 3 and 4. Mr Latham's assertions included that I have abused my parliamentary entitlements, am a person of unfit character to hold a parliamentary office and am sick and in need of help. Mr Latham's attack incorrectly confuses my concerns about sex offences against children with the private affairs of consenting adults.

I am unaware of the context from which Mr Latham drew his abusive outburst; however, if his diagnosis that I am sick and unfit for a parliamentary office is based on my concerns for the safety our children and the protection of our children's inalienable rights to unconditional protection and safe passage through their years of innocence and my relentless pursuit of zero tolerance to predators who traffic in children and their images for sex, then thank God Mr Latham is not my doctor! Maybe his outburst was because I have concerns with the devastating legacy of an acquaintance of Mr Latham—an acquaintance who is a former New South Wales Law Society President who has had two judgments against him in the District Court of New South Wales, before Judges Coorey and Taylor, for child sex offences and has admitted under oath to being a drug taker, giving a false name upon arrest, having sex with numerous dysfunctional destitute clients and inciting a witness to alter expert medical evidence to mislead court proceedings. Maybe it was because I believe this solicitor should be struck off.

Maybe it was because I believe the Law Society and Bar Association in New South Wales are at grave risk of a loss of public confidence, and there is a mountain of evidence to support the view that sections of the legal, judicial, parliamentary and religious institutions of New South Wales are compromised and guilty of turning a blind eye. Maybe it was because I think the Wood royal commission, constrained by its charter, failed to address the issues surrounding crimes of sexual offences against children. Maybe it was because I think predators and not the victims of child sexual abuse should be the

point of shame and that these victims whose lifestyle often leads to the street, drugs and suicide should have political access and stronger advocacy. Maybe it was because I believe that a judge who has come to the attention of the Child Protection Enforcement Agency in New South Wales, whose file—in the words of the Wood royal commission—'was mismanaged and its contents lost', fails the test of judicial legitimacy and should not sit in judgment on people charged with sex offences against children.

Maybe it was because I think the screening of predators in our government agencies and religious institutions, including the ordination process, has been a breathtaking failure and produced protected enclaves of child abusers—so starkly highlighted by Father Usher in the Wood royal commission. On page 1,000 of the final report, *Volume 5, Paedophilia inquiry*, at section 11.34 'Celibacy', Father Usher says:

> ... there has been a widely held belief that the vow of celibacy has been confined to heterosexual relations involving penetration and did not extend, for example, to acts of indecency or encounters with boys, or adolescent males. Clergy might see it as a moral wrong, but not define it as a serious sexual offence or as a breach of the vow of celibacy.

The commission concludes:

> ... this has the traditional overtones of paedophilia minimisation and distortion in cognitive thinking.

If Mr Latham or anyone else for that matter thinks abuse, threats and intimidation will weaken my resolve to end the code of silence on all these issues and protect our children from people who think it is a perk of office to have sex with children, they will be sadly disappointed. I would like to read into the *Hansard* a response to my last speech, which is quite different from Mr Latham's reaction. The letter says:

> Dear Senator Heffernan,
>
> Your exposure of the law's inadequacies in parliament was a wonderful community service and I thank you for picking up the ball and running with it. Much work is still to be done to expose how poorly sexual assault victims are dealt with. I am the mother of sons who were sexually abused, to the point that at the age of 9 one son had to undergo a sphincterectomy due to this abuse. During this operation it was discovered that his anus had prolapsed due to repeated forcible dilation. I have been attempting to have his named perpetrators, the DOCS and education department people who covered up his original disclosures brought to justice since the police royal commission in New South Wales. No charges have ever been laid. The CSC has recently sent selected documentation to ICAC but have omitted much of the strongest evidence. Mr Carr has since had the CSC investigations halted. After three years of investigation from the Ombudsman's Office, Mr Bruce Barber, finally intervened and asked for an investigation as to why no interviews and charges have ever been laid in relation to this. I am awaiting the police report on that, but do not expect results, as everyone seems more content to cover up the misgivings of the system than expose them. Is there any way you will be able to assist me in exposing what has occurred in our case?
>
> Sincerely,
>
> Karlene Connolly

Political Climate

Rural Field Days

Senator SCHACHT (South Australia) (10.36 p.m.)—I want to make a couple of points on the adjournment. First of all, in regard to the remarks made by Senator Heffernan, I accept that he has a very strong view on all of those matters that he has raised on child abuse—so do all of us. I note that he made a strong attack on the New South Wales Law Association and Bar Council for not being more diligent in dealing with a number of members of their profession. I agree with him that the profession should take action. I hope the profession also takes action in dealing with QCs in New South Wales who apparently deliberately arrange their financial affairs to consistently go bankrupt so that they avoid paying tax but are able to live very comfortably and earn a large amount of money.

But that was not the real reason I wanted to speak tonight on the adjournment. I have recently made in various speeches in the Senate remarks about the political climate in Australia over the last six weeks. It is all on the record now that in three different elections—two state elections and one federal by-election—there has been a remarkable change in the perception of where the present

government of Australia, led by John Howard, stands.

I have been involved in politics now for a long time—I have spent over 30 years in the Labor Party—and I have to say I have never seen such a reaction in what are traditionally conservative areas of Australia whereby the population are taking the decision at the ballot box to express their displeasure about the present federal government and state coalition governments. Since the federal election of 1996, there have been numerous state elections, another federal election and territory elections. At every election since 1996, the Liberal Party and the National Party vote has gone down. There has not been one election since 1996, the high water mark for the Liberal Party and the coalition, when they have done other than lost votes. I think that indicates that as time goes on the Australian people realise that the Liberal Party has not been able to offer a relaxed and comfortable future. I think Australians are also realising that the ideology of the Liberal Party is not offering them the vision of security for their families in the years ahead.

We have seen in results the Labor Party winning electorates that have not been held by Labor for a very long time, if at all. The by-election in Ryan has seen the seat go to the Labor Party with nearly a 10 per cent swing. That seat has never been held by the Labor Party before. There are state seats in Queensland which the Labor Party have never held but which now they do. The state seat of Burnett has never been held by the Labor Party and, in a straight contest between Labor and the National Party, the Labor Party candidate won by a margin of a couple of per cent. That is an astonishing result when you consider the nature and background of that seat.

We from the Labor Party want to make it clear that, although we recognise that there is real angst in the community against the present government, we are not about trying to win government on the basis of the mistakes of the Howard government. They speak for themselves. What we will be about over the next six months is putting forward a broad range of policies to show the Australian people that the Labor Party is capable of governing this country in a civilised and proactive way and will give people a real opportunity to participate in a positive way about their lives and their contributions to the community. The narrowmindedness of the present government and its attitude towards public life will be rejected.

I want to conclude my remarks on an aspect that does not often get recognised here in the parliament, although it is occasionally spoken about—that is, in rural communities, despite economic circumstances and some difficulties, there is still a very strong commitment by people to their community. This, as I have seen in my own state, is demonstrated by the success of the community-run field days at Cleve, Paskeville and Lucindale and in the Riverland. On Friday a week ago, I had the opportunity to visit the Lucindale field day in the south-east of South Australia. What struck me, first of all, was that the field day was organised by the small town of Lucindale as a community venture. It was extremely well organised with a range of exhibits, stands, expositions, et cetera, running to close to 400. I spent six hours there and I think I had the chance to see about a quarter of what was on display.

But what particularly struck me as I walked around and saw all those exhibits was that so many of them were of ordinary Australians in regional and rural Australia starting their own businesses, developing products and selling them in the Australian community. I saw at that field day, as I did last year at Cleve, many more Australian businesses manufacturing and making products and selling them within the Australian community. They were innovative, good ideas made by practical people and sold to the local community. They had the best local value adding, the best local import replacement and even, in many cases, the best exporting you would wish to see.

One feature that particularly stood out at Lucindale that I would note is the number of small businesses in the clothing manufacturing area, usually run by women from small country towns and rural areas who have taken the bit between their teeth and are designing, manufacturing and selling a range of good quality Australian clothing that is

competitive—because of its quality and design—with any that is produced by larger, mainly overseas, companies. They were employing people at the local level to do so.

I think that if more people from the cities, including me—although I grew up on a dairy farm—could visit these field days and see what regional and rural Australia is doing to help itself, that would end some of the misconceptions that may be around at the moment. I congratulate Reg Hocking and the Lucindale committee that run and manage the Lucindale field day. They do a great job not only for their local community but for rural and regional Australia.

Political Climate

Senator McGAURAN (Victoria) (10.43 p.m.)—I feel obliged to respond to Senator Schacht's short adjournment speech because he says that he has drawn on all his experience over 30 years in politics to come up with what is to be expected—a Labor victory at the next election. From the first year that Senator Schacht entered politics till now, he would have come up with the same conclusion from election to election, because Senator Schacht has a very narrow and biased view. There is no cold analysis or stepping back from the issue, Senator Schacht, with you. Whatever your analysis is, it is always going to conclude that the Labor Party is going to win.

Senator Schacht—Unfortunately not.

Senator McGAURAN—Because that is what you are—a Labor man—that is going to be your analysis. Your analysis cannot be taken seriously. He cannot be taken seriously, Madam President.

The PRESIDENT—Order! Senator Schacht, you should not be interjecting and, Senator McGauran, your remarks should be addressed to the chair and not across the chamber. It is not an exchange between the two of you.

Senator McGAURAN—Madam President, Senator Schacht is so bias that he even translates it to events occurring across the Pacific. He gave an analysis in the last session in regard to the United States election—believe it or not, but he did. He considers himself an expert in that department. He even considers himself a Democrat in a sense—anything to the left of the Right, and Senator Schacht will give you a biased view. He said that Senator Bush is illegitimate, that he did not win the election—

Senator Sherry—President Bush was never a senator; he was a governor.

Senator McGAURAN—Governor Bush, now President Bush, was illegitimate, that he did not win the hand count in Florida when in fact he did and that, if that was not good enough, the United States Federal Court had bodgie judges—and so he went on. The point is that you can never trust Senator Schacht's analysis. If the Labor Party really want a proper analysis of politics—and they will need it because we are in real-time election time now—they cannot rely on the Senator Schachts of this world. They need someone—as we do on this side—to step back and not look through the prism that Senator Schacht, who has grown up in the whole culture of the Labor Party, has never, ever stepped outside of. If the other side happen to think that we are heading towards what Senator Schacht relayed to us as the greatest landslide yet in political history since Federation, then they are absolutely wrong.

Senator Schacht—I did not say that, Julian. I did not mention the word 'landslide'.

Senator McGAURAN—You certainly suggested that we are heading towards a landslide. The two greatest landslides in this country have been in 1975 when Whitlam was Prime Minister and in 1996 when Keating was Prime Minister. We are not even within the ballpark of those landslides under any political analysis. This government is only too aware of the messages being sent by the electorate, and we are very flexible in our policy approaches and we are listening. I could go through all that, but I just want to talk about political analysis at the moment. Under any analysis, we are not in that Whitlam-Keating landslide atmosphere at all.

Take the signal of the Whitlam landslide—the Bass by-election. There was over a 14 per cent swing; the writing was on the wall. Take the signal of the Keating election landslide—the seat of Canberra. There was over a 14 per cent swing; the writing was on

the wall. In Ryan, the swing was less than nine per cent. You did not get the big landslide that you expected; you just fell across the line. No doubt there was a lot of anger from those Ryan traditional voters and, quite frankly, why shouldn't there be? If you have a by-election six months out from a general election, you will get a strong reaction, and that makes up a great deal of the Ryan backlash against this government. If you enshrine that as symbolic of a coming landslide for your side, then your political analysis is utterly wrong. I suggest you pick up the paper tomorrow and read the Newspoll. You will see that there is already a bounce of over two per cent back to this government. Senator Schacht, what goes around, comes around. The polls are already starting to lift. We have great hope and great skill. We are not surrendering this government to you. We are not just stepping aside. You will have to win it. Do you really think that post Ryan the spotlight is now not on you and your team to produce policies?

Senator Schacht—Gag him, Bill, so we can all go home!

The PRESIDENT—Order! Senator Heffernan, resume your seat. Senator Schacht, stop interjecting.

Senator McGAURAN—I have not quite finished. I am just saying that the spotlight now is on Mr Keating as a leader and what he can produce.

Senator Schacht—Mr Keating has been gone since 1996!

Senator McGAURAN—Sorry, I mean Mr Beazley. I accept that correction from Senator Schacht. I am glad just for once we agree on something. I am happy to take the correction and that is the mood on this side. We are flexible; we will take correction; we will adjust if we think we are wrong, unlike you. The opposition cannot be flexible; the opposition cannot adjust, because they have nothing to adjust. If only I had that quote that Mr Beazley gave to one of the radio stations over the weekend. He said, 'We cannot cost our policies. If you have not got any policies, how can you cost them?' I would add to that: how can you be flexible, how can you be listening when you have not got any policies at all?

Senator Schacht raised the issue of the Queensland state election and said, 'Look at that. We have won votes where we have never won them before and we extrapolate that into the federal sphere.' Nothing could be further from the truth. You never want to read too much into state elections. There are messages to be read—there is not doubt about that—but, as you should know, Senator Schacht, there was far more to the Queensland election than just a federal vote. There was a divided conservative vote. On top of that there were something like five choices in an optional preferential system and, what is more, the National Party—the dominant party in Queensland—was split within its own preference ranks. You only have to look over the weekend to see that the Queensland National Party made a very firm and strong decision to support Senator Boswell and the direction of preferences, so we are not going to get the same Queensland situation that unfortunately its leader, Mr Bob Borbidge, had to endure. It was a terrible mistake by the Queensland National Party, which had an enormous effect on the vote in the last week. Therefore, do not try to read too much into that in regard to the federal sphere, Senator Schacht.

Senator Schacht, you mercifully did not take up all your time, so therefore I will sit down and save a few minutes. I was at the Lardner field day over the weekend. I think that is one of the biggest field days at least in Victoria, if not in Australia. They are great weekend events because not only did the National Party have a tent—we were at the front, at the coalface listening to the people—but also they display and show off all the produce and machinery of rural and regional areas. I see my colleague George Brandis taking notes. I invite him also to stand up if he has anything to say about Senator Schacht's comments.

Senate adjourned at 10.52 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

A New Tax System (Goods and Services Tax) Act—Regulations—Statutory Rules 2001 No. 48.

Aboriginal and Torres Strait Islander Commission Act—Review of electoral systems, dated December 2000.

Aged Care Act—Residential Care Subsidy Amendment Principles 2000 (No. 3).

Air Force Act—Regulations—Statutory Rules 2001 No. 41.

Australian Communications Authority Act—Radiocommunications (Charges) Amendment Determination 2001 (No. 1).

Australian Communications Authority Act and Radiocommunications Act—Radiocommunications (Interpretation) Amendment Determination 2001 (No. 2).

Australian Meat and Live-stock Industry Act—Export of Sheep from Northern Ports Order 2001.

Christmas Island Act—Utilities and Services Ordinance—Public Housing Rents Determination No. 1 of 2001.

Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—

Civil Aviation Amendment Order (No. 1) 2001.

Directives—Part 105, dated 1 March 2001 [2].

Exemption No. CASA EX06/2001.

Instruments Nos CASA 109/01 and 110/01.

Defence Act—

Determination under section 58B—Defence Determination 2001/7.

Regulations—Statutory Rules 2001 Nos 42 and 43.

Financial Management and Accountability Act—

Financial Management and Accountability (Amendment of Special Account) Determination 2001/03.

Financial Management and Accountability Amendment Orders 2001 (No. 1).

Goods and Services Tax Determination GSTD 2001/2.

Health Insurance Act—Regulations—Statutory Rules 2001 No. 45.

Immigration (Education) Act—Regulations—Statutory Rules 2001 No. 46.

Migration Act—

Regulations—Statutory Rules 2001 No. 47.

Statement for period 1 July to 31 December 2000 under section—

91L, dated 15 March 2001.

417, dated 29 September 2000.

Ozone Protection Act—Notice of Grant of Licence under section 16, dated 22 February 2001.

Parliamentary Service Act—Determinations Nos 1-3 of 2001.

Product Rulings—

PR 1999/102 (Addendum).

PR 2001/17-PR 2001/25.

Quarantine Act—Quarantine Amendment Proclamation 2000 (No. 3).

Radiocommunications (Transmitter Licence Tax) Act—Radiocommunications (Transmitter Licence Tax) Amendment Determination 2001 (No. 2).

Telecommunications Act—Telecommunications Numbering Plan Amendment 2001 (No. 1).

Therapeutic Goods Act—Therapeutic Goods Orders Nos 67 and 68.

Trade Practices Act—Regulations—Statutory Rules 2001 No. 40.

Weapons of Mass Destruction (Prevention of Proliferation) Act—Regulations—Statutory Rules 2001 No. 44.

Indexed Lists of Files

The following documents were tabled pursuant to the order of the Senate of 30 May 1996 as amended 3 December 1998:

Indexed lists of departmental and agency files for the period 1 July to 31 December 2000—Statements of compliance—

Attorney-General's portfolio.

Civil Aviation Safety Authority.

PROCLAMATIONS

A proclamation by His Excellency the Governor-General was tabled, notifying that he had proclaimed the following provisions of an Act to come into operation on the date specified:

Australian Radiation Protection and Nuclear Safety (Consequential Amendments) Act 1998—Item 5 of Schedule 1—15 March 2001 (*Gazette* No. S 85, 13 March 2001).

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Gunner and Cubillo Case: Costs

(Question No. 2754)

Senator Harris asked the Minister representing the Attorney-General, upon notice, on 17 August 2000:

(1) What total costs were incurred by the Commonwealth, both directly and indirectly via ATSIC or the Aboriginal Legal Service, in the Gunner and Cubillo case dismissed by the Federal Court?

(2) How much was incurred on behalf of: (a) the plaintiffs; and (b) the defendant.

(3) How much was paid to lawyers by: (a) each plaintiff; and (b) the defendant.

(4) (a) How many lawyers received payment from each plaintiff and defendant; (b) what are the names of the individual lawyers and/or legal firms; and (c) how much was paid to each of the lawyers and/or legal firms.

Senator Hill—The Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs has provided the following information to the honourable senator's question:

(1) The total costs incurred by the Commonwealth are as follows:

ATSIC grants to NAALAS/NTSLU	$3,529,434
AGS/Prime Minister and Cabinet	$8,401,196.11
TOTAL	$11,930,630.11

(2) (a) While ATSIC itself has not spent anything directly on the Gunner/Cubillo case, it has provided grant funding to the NT Stolen Generation Litigation Unit (NTSLU) to cover its operational expenses and to manage and conduct the litigation on the instructions of the two plaintiffs in this case. The NTSLU is an element of the North Australian Aboriginal Legal Aid Service (NAALAS). Attributing precise costs specifically relating to this case is difficult because of the accounting treatment of overheads by the NTSGLU and NAALAS. NAALAS has advised the Commission of the following break-up of costs is available for the period 96/97 to 31/12/2000.

Total Grant to NTSLU	Operational Costs	Brief Out Expenses for Gunner/ Cubillo
$3, 529,434	$1,739,173	$1,790,261

(b) As at 30 September 2000, the legal fees and disbursements (including counsel's fees) billed by the Australian Government Solicitor to the Department of the Prime Minister and Cabinet for the conduct of the Commonwealth defence in the Cubillo and Gunner trial in the Federal Court were $8,401,196.11.

(3) (a) NAALAS/NTSGLU have advised that "Unfortunately, the costs cannot be apportioned between the two plaintiffs as the invoicing for the case was not apportioned between them." A precise figure of payments to lawyers for the plaintiffs is unavailable because of the accounting treatment of overheads by NTSGLU and NAALAS.

(b) As at 30 September 2000, the Commonwealth had incurred $6,604,304 in legal fees for the conduct of its defence in the Cubillo and Gunner trial in the Federal Court.

(4) (a) NAALAS/NTSGLU, Holding, Redlich Lawyers and 8 barristers/lawyers received payment for legal costs incurred in the conduct of the Cubillo and Gunner trial in the Federal Court.

The Australian Government Solicitor and 5 Counsel received payment from the Commonwealth for legal costs incurred in the conduct of the Commonwealth's defence in the Cubillo and Gunner trial in the Federal Court.

(b) Applicants—

NAALAS/NTSGLU

Holding, Redlich Lawyers & Consultants

Matthew Storey

Mark Dreyfus

Jack Rush QC
Bill Piper
Paul Walsh
Brian Keon-Cohen
Melinda Richards
Ben O'Loughlin
Michael Green - Barristers Clerk
Aust Govt Solicitor - Meredith Cole

Respondents—

Australian Government Solicitor
Mr Douglas Meagher QC
Dr Melissa Perry
Ms Elizabeth Hollingworth
Ms Caron Beaton-Wells
Mr Stephen Gageler

(c) NAALAS have advised that the following payments have been made on behalf of the Applicants as at 31/12/2000—

Holding, Redlich Lawyers & Consultants	$639,606.41
Matthew Storey	$17,810.93
Mark Dreyfus	$8,624.88
Jack Rush QC	$198,844.70
Bill Piper	$6,792.50
Paul Walsh	$2,142.00
Brian Keon-Cohen	$19,500.00
Melinda Richards	$111,890.00
Ben O'Loughlin	$1,000.00
Michael Green - Barristers Clerk	$700.00
Aust Govt Solicitor - Meredith Cole	$579.50

NAALAS/NTSGLU lawyers costs have not been provided and a precise figure of payments to the in house lawyers for the plaintiffs is unavailable because of the accounting treatment of overheads by NTSGLU and NAALAS – as advised by NAALAS.

As at 30 September 2000, the Commonwealth had paid the following amounts to lawyers for the conduct of the Commonwealth's defence in the Cubillo and Gunner trial in the Federal Court—

Australian Government Solicitor	$4,342,023
Mr Douglas Meagher QC	$1,118,495
Dr Melissa Perry	$162,510
Ms Elizabeth Hollingworth	$606,136
Ms Caron Beaton-Wells -	$373,083
Mr Stephen Gageler -	$2,057

Goods and Services Tax: Small Business

(Question No. 2953)

Senator Brown asked the Assistant Treasurer, upon notice, on 22 September 2000:

(1) How are settlement discounts treated for the purposes of the goods and services tax (GST).

(2) What monitoring is being undertaken of the impact of the GST and Australian Business Numbers on small business and on community organisations.

(3) What figures does the Minister have on the failure rate of small business since the introduction of the GST.

(4) For each of the 96–97 and 97–98 financial years: (a) how much was spent on research and development tax deductions and how many companies benefited from the scheme; (b) what was the to-

tal value of the research and development tax deduction for the 10 companies that gained the most from the scheme; (c) how many of these companies are mining companies and what was the total value of the concession to them; (d) what other types of business are represented among the top 10 recipients of the research and development tax deduction; and (e) how many companies received research and development tax concessions for work on renewable energy and what was the total value of these concessions.

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

(1) Broadly speaking, if a settlement discount reduces the consideration for a supply, the discount reduces the GST payable (if the supplier is registered) and consequently, the value of input credits (if the recipient of the supply is also registered) in respect of that supply.

For taxpayers accounting on a non-cash basis, if the discount is taken up in the same tax period as the period to which the supply is attributable, then the GST payable and input credit claimed is based on the corrected price. If a discount is allowed in a subsequent tax period, the change will give rise to a GST adjustment. The supplier will have a decreasing adjustment reflecting the lower price and reduced amount of GST, and the recipient will have an increasing adjustment reflecting the reduced amount of input credit.

For taxpayers accounting on a cash basis, the GST payable and input credit claimed is based on the corrected price received for the supply.

(2) The Australian Taxation Office (ATO) commissions regular qualitative and quantitative research to assist in developing and implementing a communication program to inform and educate business and the community about tax reform.

(3) Information about the small business sector is a matter for the Minister for Small Business, Mr Ian Macfarlane.

(4)(a) For 1996-97, 2,800 companies (including syndicates) reported claiming the concession. The value of the deductions claimed was approximately $640 million. Of these, 2,500 companies, claiming approximately $570 million in deductions, were not syndicated.

For 1997-98, 2,500 companies (including syndicates) reported claiming the concession. The value of the deductions claimed was approximately $490 million. Of these, 2,350 companies, claiming approximately $450 million in deductions, were not syndicated.

(4)(b) In 1996-97, approximately $145 million. In 1997-98, approximately $150 million.

(4)(c) In 1996-97, mining companies on the list of the biggest claimants of the research and development concession reported claiming deductions totaling approximately $40 million and in 1997-98, mining companies on the list reported claiming deductions worth approximately $70 million. Secrecy provisions prevent disclosure of further information because it could lead to identification of particular companies.

(4)(d) Secrecy provisions prevent disclosure of this information.

(4)(e) This information is not available because the ATO uses the standard industry classification system of ANZIC (Australian & New Zealand Industrial Classification) developed by the Australian Bureau of Statistics which does not have a separate code for renewable energy industries. The ANZIC system is based around the common production processes. Companies involved in producing or using renewable energy sources may exist across many of the industry codes reported in the ANZIC system, including mining.

Finance and Public Administration Portfolio: Portfolio Budget Statements

(Question No. 3183)

Senator Sherry asked the Minister representing the Minister for Finance and Administration, upon notice, on 30 November 2000:

(1) Are the department's budget management systems able to produce forward estimates, by portfolio, summed by outcome but with the detail for each output and administered item; if yes, why is the Government unwilling to have the department instruct other departments to provide this information in their Portfolio Budget Statements (PBS).

(2) Given that such information is routinely sought by estimates committees and is generally being made available, would it not be preferable to make the provision of this information a requirement of the PBS

(3) (a) Similarly, can the information requirements for the PBS be altered to require the production of a table which groups the types and reasons for in year estimates variations; and (b) is there any reason why this could not be done.

(4) (a) Has the department completed a review of the quality of the outcome and output measures in the PBS; if so: (a) what did the review find; and (b) how are the issues being addressed.

Senator Abetz—The Minister for Finance and Administration has supplied the following answer to the honourable senator's question:

(1) The Chief Executive Officer (CEO) of each agency has clearly stated responsibilities under the FMA Act which define accountability to the Executive and the Parliament. A CEO must manage the affairs of the Agency in a way that promotes proper use of the Commonwealth's resources for which the CEO is responsible.

As such, agencies are responsible for their own financial management, and maintain systems that contain those agencies' budget and forward estimates information. DOFA's whole of government financial management information system (AIMS) also contains forward estimates information by portfolio with detail of outcome, output and administered items. Agencies are responsible for their own financial management, and maintain systems that contain those agencies' budget and forward estimates information.

The purpose of the PBS is to explain the annual Appropriation Bills before the parliament. As such, forward estimates information by output or administered item (or by program in the years leading up to the introduction of outcome-output budgeting) have not previously been included in the PBS.

(2) The Government considers that there is already extensive forward estimates information in the budget documentation, including at an aggregate level, as well as for agency expenses, measures and on a functional basis. The Government responded to this issue in the 2nd report of the Finance and Public Administration Legislation Committee on the format of portfolio budget statements with the following:

"… there is already extensive reporting of forward estimates information in budget documentation. For example, forward estimates information is provided at an aggregate level (cash and accrual), as well as for agency expenses, measures and on a functional basis. This information is published at both Budget and the Mid Year Economic and Fiscal Outlook update.

The introduction of an accrual based budgeting framework is in line with international best practice and provides comprehensive financial information."

(Senate *Official Hansard*, 6 April 2000, p 13557).

(3) This suggestion was raised in the Senate Finance and Public Administration Legislation Committee's 3rd report on PBS formats which was tabled on 9 November 2000. The Government responded with the following:

"The PBS guidelines issued by the Department of Finance and Administration specify the information that agencies should include in their PBSs. The PBSs provide sufficient information, explanation and justification as to the purpose of each item in the Appropriation Bills. Modifying (or creating) the table would add complexity without enhancing clarity."

(Senate *Official Hansard*, 8 February 2001, p 21746).

(4) Earlier reviews by Senate Finance and Public Administration Legislation Committee of the information in Portfolio's Budget Statement's found that the PBS was largely meeting the purpose for which it was designed.

To address the recommendations of Senate Committees in regard to improving the consistency and specification of outcomes and outputs, and also as a result of agency analysis conducted by DOFA, the Department released new outcomes and outputs guidance for agencies in November 2000. This guidance, provides greater emphasis on performance information and increased attention to administered items.

Department of Industry, Science and Resources: Programs and Grants to the Gwydir Electorate

(Question No. 3222)

Senator O'Brien asked the Minister for Industry, Science and Resources, upon notice, on 18 December 2000:

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

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98, 1998-99 and 1999-2000 financial years.

(3) What level of funding was appropriated for the above programs and/or grants for the 2000-01 financial year.

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

(1) Program	(2) 1996-1997	(2) 1997-1998	(2) 1998-1999	(2) 1999-2000	(3) 2000-2001
Business Networks	Nil	$43,328	$5,000	N/A	N/A
Commercialising Emerging Technologies	N/A	N/A	N/A	Nil	Nil
Cooperative Research Centres	$2,151,438	$2,200,278	$2,163,557	$2,000,000	$2,200,000 ***
Passenger Motor Vehicle Export Facilitation Scheme	Nil	$219,934	$16,262	Nil	Nil
Policy By-Laws	Nil	Nil	Nil	Nil	Nil
R&D START	Nil	Nil	Nil	Nil	Nil
R&D Tax Concession	$445,507*	$303,291*	$453,455*	Nil	**
Regional Minerals	Nil	Nil	Nil	Nil	Nil
School Industry Link Demonstration	Nil	Nil	Nil	N/A	N/A
Science and Technology Awareness	Nil	Nil	$2,800	Nil	Nil
Tariff Export Concession Scheme	Nil	Nil	Nil	Nil	Nil
Technology Diffusion	$11,272	$8,000	Nil	Nil	Nil
Textiles, Clothing and Footwear 2000 Development Package	$6,550	Nil	Nil	Nil	N/A
Textiles, Clothing and Footwear Import Credits Scheme	Nil	Nil	Nil	Nil	Nil

N/A: Program not available

* Estimated cost to revenue

** Companies register for the tax concession up to 10 months after the end of the year of income. This means estimates for the Tax Concession Program will not be available until 2002.

*** This amount includes both paid and committed funds. Funds are not appropriated on an electorate basis.

Department of Sport and Tourism: Programs and Grants to the Gwydir Electorate

(Question No. 3229)

Senator O'Brien asked the Minister representing the Minister for Sport and Tourism, upon notice, on 18 December 2000:

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

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98, 1998-99 and 1999-2000 financial years.

(3) What level of funding was appropriated for the above programs and/or grants for the 2000-01 financial year.

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

(1) The Regional Tourism Program and the Regional Online Tourism Program are the programs that are currently available. The Regional Tourism Program commenced in 1998-99 and runs to 2002-03. The Regional Online Tourism Program is only available in 1999-00 and 2000-01. The National Tourism Development Program was available in 1996-97 and 1997-98.

(2)—

Program	1996-97	1997-98	1998-99	1999-00
National Tourism Development Program	Nil	$300 000	N/A	N/A
Regional Tourism Program	N/A	N/A	Nil	Nil
Regional Online Tourism Program	N/A	N/A	N/A	$21 000

Funding appropriated in 2000-01.

Program	2000-01
Regional Tourism Program	Nil
Regional Online Tourism Program	Nil

Defence Portfolio: Contracts to Deloitte Touche Tohmatsu

(Question No. 3260)

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Deloitte Touche Tohmatsu in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Deloitte Touche Tohmatsu.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Deloitte Touche Tohmatsu (open tender, shortlist or some other process).

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

(1) to (4) The information sought by the honourable Senator is contained in the following table:

Purpose of Work	Cost	Selection Process
Defence		
Perform an external audit and produce end of year accounts for FY1998-99 on the Young Endeavour Youth Scheme	$3,644.37 (Administered Item)	Shortlist
Presentation on IT outsourcing at a staff seminar in Adelaide	$772	Select Tender
Participate in the management, planning, execution and support of the ROMAN financial management system	$7,194,876.80	Sub-contracted by SAP Australia, which held the contract to provide a new financial management system
Defence Housing Authority		
Advise and assist with the internal audit, tax and other advice	$160,295	Public Tender

Industry, Science and Resources Portfolio: Contracts to Deloitte Touche Tohmatsu

(Question No. 3264)

Senator Robert Ray asked the Minister for Industry, Science and Resources, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Deloitte Touche Tohmatsu in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Deloitte Touche Tohmatsu.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Deloitte Touche Tohmatsu (open tender, short-list or some other process).

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

(1) The Department of Industry, Science & Resources and its agencies have provided 1 contract to the firm Deloitte Touche Tohmatsu in the 1999-2000 financial year.

(2) Purpose of work undertaken	(3) Amount Paid on contract in FY 1999/2000	Total Value of Contract	(4) Selection Process
Provide advice and assistance with implementing GST methodology in preparation for IP Australia's GST Compliance	$36,960	$36,960	Restricted Tender

Attorney-General's Portfolio: Contracts to Deloitte Touche Tohmatsu (Question No. 3265)

Senator Robert Ray asked the Minister representing the Attorney-General, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Deloitte Touche Tohmatsu in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Deloitte Touche Tohmatsu.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Deloitte Touche Tohmatsu (open tender, short-list or some other process).

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator's question:

I am advised by agencies within my portfolio that the following contracts have been entered into with Deloitte Touche Tohmatsu:

INSOLVENCY TRUSTEE SERVICE AUSTRALIA (ITSA)

(1) and (2)

(a) Accounting and project management services associated with ITSA's separation from the Attorney-General's Department

(b) Facilitation of a GST workshop

(3) (a) $115,400

(b) $2,075

(4) (a) Restricted tender process

(b) Deloitte was under contract with ITSA, as a result of a separate tender process, for services associated with the enhancement of ITSA's OTISS computer system. This contract was entered into as an extension to the existing contract.

FEDERAL MAGISTRATES SERVICE

(1) and (2) Provision of financial and human resource management services for a new Commonwealth agency

(3) $0.147m (GST inclusive) to 31 January 2001

(4) Short-list

AUSTRALIAN CUSTOM SERVICE (ACS)

(1) and (2)

(a) and (b) Implementation of PeopleSoft for National Crime Authority (NCA) (in line with cooperative arrangements within the portfolio in relation to resource sharing, ACS and the NCA reached an agreement in December 1998, whereby ACS would provide the NCA with Financial and Human Resource systems and support from July 1999. ACS has engaged Deloitte Touche Tohmatsu as part of this agreement)

(3) (a) $30,000

(b) $42,000

(4) (a) Open tender

(b) Extension of previous or existing contract

FAMILY COURT OF AUSTRALIA

(1) and (2) Provision of a national internal audit program plus specific internal audit assignments

(3) $70,214.36

(4) Select tender

Agriculture, Fisheries and Forestry Portfolio: Contracts to Deloitte Touche Tohmatsu (Question No. 3267)

Senator Robert Ray asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Deloitte Touche Tohmatsu in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Deloitte Touche Tohmatsu.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Deloitte Touche Tohmatsu (open tender, short-list or some other process).

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

Departmental records indicate that in the 1999-2000 financial year the following payments were made to Deloitte Touche Tohmatsu:

Purpose of the work undertaken	Cost	Selection Process
Reconciliation of Department of Finance Trust Account	$18,045	Previous consultant expertise

Defence Portfolio: Contracts to KPMG (Question No. 3277)

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm KPMG in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by KPMG.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select KPMG (open tender, shortlist or some other process).

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

(1) to (4) The information sought by the honourable senator is contained in the following table:

Purpose of Work	Cost	Selection Process
Defence		
Year 2000 Compliance	$177,360.51	Standing Offer
Implementation of the New Tax System	$798,722.01	Standing Offer
Undertake a mid-point review of Support Command Australia (SCA)	$572,663.72.	Limited Tender
ISO 9000 Audits external certification for Quality Management Certification	$9,650	Open Tender
ISO 9000 Audits for support of quality systems within SCA units	$42,681.52	Single Source

Purpose of Work	Cost	Selection Process
Development of a Fraud Control Plan and undertake a Risk Assessment of SCA	$8,246	Standing Offer - Panel
Develop strategies aimed at removing, ameliorating or avoiding potential critical infrastructure vulnerabilities of relevance to Defence, including a suite of prioritised infrastructure mitigation strategies and a web-based planning aid	$231,012	Standing Offer - Panel
Obtain specialist cost accounting services in relation to product liability claims by Boeing	$50,000	Single Source
Establish the accuracy and commerciality of the charging of Defence by Aerospace Technologies Australia Ltd for the Nomad Support Program	$51,657	Restricted Tender
Personnel Asset Tracking - Study to identify technology options	$42,375	Standing Offer - Panel
Level 1 Architecture - Study to provide high-level structure and intellectual basis for capability	$10,000	Standing Offer - Panel
Property analysis of 29 Defence properties for the joint Defence/Department of Finance and Administration review of Defence properties	$84,378	Single Source
Perform Financial Statement Audits	$44,825	Standing Offer
Advice on treasury and banking functions	$1,000	Standing Offer
Needs analysis of the requirement in Defence for strategic education	$31,115	Restricted Tender
Navy Member Resettlement Training	$6,400	Open Tender
Defence Housing Authority		
Prepare a report on improving shareholder value and optimising capital employed	$293,118.64	Select Tender
Perform duties of General Manager Finance and Administration until permanent position filled	$93,625	Specialist Recruitment
Various small and sundry projects for Finance Section	$17,550	Verbal and/or Written Quote
Report on management performance and key performance indicators	$33,278.38	Select Tender

Industry, Science and Resources Portfolio: Contracts to KPMG

(Question No. 3281)

Senator Robert Ray asked the Minister for Industry, Science and Resources, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm KPMG in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by KPMG.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select KPMG (open tender, short-list or some other process).

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

(1) The department of Industry, Science & Resources and its agencies have provided 6 contracts to the firm KPMG in the 1999-2000 financial year.

(2) Purpose of work undertaken	(3) Amount Paid on contract in FY 1999/2000	Total Value of Contract	(4) Selection Process
Support of a mission by senior Indonesian automotive personnel	$15,000	$15,000	Restricted Tender
Provide advice on the impact of	$8,530	$8,530	Restricted Tender

(2) Purpose of work undertaken	(3) Amount Paid on contract in FY 1999/2000	Total Value of Contract	(4) Selection Process
the Commonwealth and World Trade Organisation agreement			
Review company financial information	$24,000	$24,000	Restricted Tender
Develop Internal Audit and Fraud Control Plan (AGSO)	$14,500	$14,500	Restricted Tender
Impact analysis for a national building control system	$96,400	$96,400	Restricted Tender
Assessment of proposal to consolidate plumbing provisions into the role of the ABCB	$24,900	$24,900	Restricted Tender

Attorney-General's Portfolio: Contracts to KPMG

(Question No. 3282)

Senator Robert Ray asked the Minister representing the Attorney-General, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm KPMG in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by KPMG.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select KPMG (open tender, short-list or some other process).

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator's question:

I am advised by the Department and agencies within my portfolio that the following contracts have been entered into with KPMG:

ATTORNEY-GENERAL'S DEPARTMENT

(1) and (2) Review of the Department's investment and cash management strategies and practices

(3) $29,827

(4) Selective tender

FEDERAL COURT OF AUSTRALIA

(1) and (2) Purchase of Fringe Benefits Tax Simplifier software

(3) $4,925

(4) Direct approach

FAMILY COURT OF AUSTRALIA

(1) and (2)

(a) Development of an early intervention strategy (caseflow) for the Family Court

(b) Provision of consultancy services in the development of a resource management strategy for the Family Court

(3) (a) $214,661

(b) $185,394

(4) (a) Select tender

(b) Select tender

AUSTRALIAN FEDERAL POLICE

(1) Deed of Standing Offer – creating a Panel of providers from a tender process for Audit Services, to have effect until June 2005

(2) No offer has been made so far to the KPMG Panel member

(3) Nil to date

(4) Expression of interest and request for tender.

OFFICE OF FILM AND LITERATURE CLASSIFICATION (OFLC)

(1) & (2) While no new contracts were let to KPMG in the 1999-2000 financial year, a pre-existing contract was varied. The variation extended the commercialisation review consultancy to include a review of OFLC's regional operations and functions

(3) $35,700

(4) Open tender process

AUSTRALIAN CUSTOMS SERVICE

(1) and (2)

(a) Review of Import Processing Price Review Model – October 1999

(b) Review of Importing Processing Price Review Model – April 2000

(3) (a) $7,500

(b) $5,250

(4) (a) Direct engagement – previously demonstrated these skills

(b) Direct engagement – previously demonstrated these skills

Agriculture, Fisheries and Forestry Portfolio: Contracts to KPMG

(Question No. 3284)

Senator Robert Ray asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm KPMG in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by KPMG.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select KPMG (open tender, short-list or some other process).

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

Departmental records indicate that in the 1999-2000 financial year the following payments were made to KPMG:

Purpose of the work undertaken	Cost	Selection Process
QSP implementation	$27,757	Specific expertise required
Assess financial viability of Murgon Meatworks	$83,979	Direct engagement of recognised expertise

Defence Portfolio: Contracts to PricewaterhouseCoopers

(Question No. 3294)

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm PricewaterhouseCoopers in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by PricewaterhouseCoopers.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select PricewaterhouseCoopers (open tender, shortlist or some other process).

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

(1) to (4) The information sought by the honourable senator is contained in the following table:

Purpose of Work	Cost	Selection Process
Defence		
Requirements analysis for a new management information system	$18,052.64	Single Source
Provision of three day training course on tabular format relating to Garrison Support contract management software	$1,850	Single Source
Provision of advice and assistance in interpretation of the GST; scoping of the areas affected; production of an implementation strategy, production of specific procedural and policy documents if necessary and liaison with the ATO and Treasury as necessary	$496,305	Restricted Tender
Scoping study for implementation of the new tax system	$40,000	Standing Offer
Assistance in formulating bids and assessing bids for the 501WG market testing activities. Training in Tubular format software	$63,748.42	Standing Offer
Assist Defence to facilitate planning the next steps for the Information Management Policy and Support Centre and the Information Strategic Plan	$4,500	Standing Offer - Panel
Support the development of a communications strategy, business case and project key performance indicators for the future workplace development project	$78,954.85	Single Source
Implementation and maintenance of a communications and change management strategy for the Business Process Re-engineering Implementation project	$114,236	Single Source
Provision of advice on the application of balanced scorecard with the Business Process Re-engineering Implementation project key performance indicators	$5,906.50	Single Source
Provide Defence with assistance in an investigation into the levels of public and private expenditure on defence related research and development in Australia	$13,700	Standing Offer - Panel
Perform a series of reviews of Australian Industry Involvement plans	$56,809.10	Standing Offer - Panel
Provision of a model for categorising and managing the items flowing through the supply chain. Formulation of appropriate management strategies. Establish the framework for implementation. Production of technical documents in accordance with Prince 2 principles	$517,566.53	Standing Offer
Provision of ADF current and proposed supply chain analysis, mapping and modeling. Develop a business case for the adoption of a single supply chain	$1,770,937.22	Standing Offer
Develop a costing model and options for Project Ships Logistics Information Management System with Asset Management and Planning System	$19,590.83	Standing Offer
The mapping and analysis of Support Command Australia's warehousing and physical distribution system and recommendations as to how these activities should be managed in the future. Costing of these activities. Assist with the market testing contract preparation, including statement of requirement and tender evaluation	$480,078.03	Standing Offer - Panel
Identify and develop a standard business model for Force Element Groups and plan for implementation	$80,000	Single Source
Investigation of maritime inventory investment.	$27,888.35	Standing Offer
Study to identify the costs and sensitivity factors associated with the provision of an operational air refueling capability by methods other than capital procurement of the	$110,000	Single Source

Purpose of Work	Cost	Selection Process
required assets		
Review pricing/costing methodology for Defence Computing Bureau	$4,750	Restricted Tender
Scoping study for re-design of current HQAST processes	$40,000	Single Source
Appraisal of opportunities and constraints on the disposal of the Rockbank property in Victoria	$22,538.25	Single Source
Evaluation of the range of options available to finance infrastructure works at Ermington (Sydney, NSW)	$8,500	Single Source
Preparation of financial analysis report for the business case for the relocation of the Naval Aviation Logistics Management Squadron	$5,915.42	Single Source
Private Financing Initiative study into the provision of living-in accommodation for Defence personnel in the Sydney region	$30,000	Single Source
Independent member of Defence Audit Committee	$8,800	Standing Offer
Delivery of Business Process Re-engineering support for the Defence Service Centre	$83,820	Standing Offer
Review of Defence Senior Management Courses	$50,600	Restricted Tender
Taxation consultant to the ADF	$31,442	Restricted Tender
Development of Account Group 39 Data Base	$122,844.98	Standing Offer
Recruitment of Graduates	$170,824.93	Restricted Tender
Rationalisation and Market Testing of ACT/Southern NSW Health Services	$140,065.75	Standing Offer
Defence Housing Authority		
Assist and Advise on the implementation of the Tax Equivalent Regime	$30,000	Select Tender
Review the Housing Management Centre structure	$6,650	Shortlist

Industry, Science and Resources Portfolio: Contracts to PricewaterhouseCoopers

(Question No. 3298)

Senator Robert Ray asked the Minister for Industry, Science and Resources, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm PriceWaterhouseCoopers in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by PriceWaterhouseCoopers.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select PriceWaterhouseCoopers (open tender, short-list or some other process).

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

(1) The department of Industry, Science & Resources and its agencies have provided 8 contracts to the firm PriceWaterhouseCoopers in the 1999-2000 financial year.

(2) Purpose of work undertaken	(3) Amount Paid on contract in FY 1999/2000	Total Value of Contract	(4) Selection Process
Specialist advice on taxation aspects of proposed incentives under the Governments Strategic Investment Incentives program	$25,808	$25,808	Restricted Tender
Advice on Investment Strategy	$42,819	$42,819	Open Tender
Output Pricing Review Scoping	$86,700	$86,700	Restricted Tender

(2) Purpose of work undertaken	(3) Amount Paid on contract in FY 1999/2000	Total Value of Contract	(4) Selection Process
Study Output Pricing Review - Stage 1	$161,000	$161,000	Restricted Tender
Study on Australian Space Industry	$144,500	$149,500	Restricted Tender
Financial Management Information System (FMIS) Review (IP Australia)	$53,851	$53,851	Restricted Tender
Benchmark private venture capital investment in Australia	$55,000	$55,000	Open Tender
Internal Audit services (IP Australia)	$98,879	$98,879	Restricted Tender

Attorney-General's Portfolio: Contracts to PricewaterhouseCoopers

(Question No. 3299)

Senator Robert Ray asked the Minister representing the Attorney-General, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm PricewaterhouseCoopers in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by PricewaterhouseCoopers.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select PricewaterhouseCoopers (open tender, short-list or some other process).

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator's question:

I am advised by agencies within my portfolio that the following contracts have been entered into with PriceWaterhouseCoopers:

HIGH COURT OF AUSTRALIA

(1) and (2) Maintenance of Registry Case Management software

(3) $11,700 per year over three years, ie $35,100

(4) Open tender

FAMILY COURT OF AUSTRALIA

(1) and (2)

(a) Review of Family Court Management Structure

(b) Provision of professional accounting services including accrual budgeting, management reporting, reconciliation of bank accounts, FBT and GST advice

(3) (a) No payments in 1999/2000

(b) $117,024

(4) (a) Select tender

(b) Select tender

AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION

(1) and (2) To identify and determine the cost of its activities and outputs and benchmark those elements relevant to corporate overheads. As part of the costing review PriceWaterhouseCooper also built a financial model to satisfy the Organisation's obligations under the new tax system relating to recording cost recovery.

(3) $139,000

(4) Selected from a short-list of local accounting firms.

AUSTRALIAN FEDERAL POLICE

(1) and (2)

(a) Deed of Standing Offer - Audit of Drug and Exhibit Registries

(b) Review of PROMIS computer system to ensure that it was delivering against original specifications

(c) Quality assurance review of AFP GST implementation

(d) Assistance with FMIS (SAP) system changes

(3) (a) $182,376

(b) $78,000

(c) $11,590

(d) $13,200

(4) (a) Request for tender

(b) Expression of interest and request for tender

(c) Department of Finance & Administration panel

(d) Department of Finance & Administration panel

AUSTRALIAN CUSTOMS SERVICE

(1) and (2)

(a) Provision of internal audit services

(b) Provision of professional services for the upgrade of PeopleSoft (Human Resource Information System) Implementation

(c) Provision of professional advice in relation to cost analysis relevant to Cargo Management Re-engineering

(d) Provide support and advice for the Output Pricing Review – planning, costing/pricing methodology, benchmarking

(e) Provide professional advice in relation to dumping investigations

(f) Prepare expert report for the purpose of the Administrative Appeals Tribunal application for review

(g) Advice on Fringe Benefits Tax issues – interpretation of legislation (car expenses)

(h) Advice in relation to Fringe Benefits Tax – living away from home allowance and expenses

(i) Fringe Benefits Tax calculator software licence fee

(3) (a) $1,038,723

(b) $1,503,304

(c) $65,573

(d) $46,938

(e) $13,784

(f) $6,187

(g) $3,875

(h) $1,050

(i) $9,750

(4) (a) Open tender

(b) Selective tender

(c) Direct engagement – particular expertise in the field

(d) Extension of previous or existing contract

(e) Direct engagement – particular expertise in the field

(f) Direct engagement – particular expertise in the field

(g) Extension of previous or existing contract

(h) Extension of previous or existing contract

(i) Direct engagement – particular expertise in the field

Agriculture, Fisheries and Forestry Portfolio: Contracts to PricewaterhouseCoopers

(Question No. 3301)

Senator Robert Ray asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm PricewaterhouseCoopers in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by PricewaterhouseCoopers.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select PricewaterhouseCoopers (open tender, short-list or some other process).

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

Departmental records indicate that in the 1999-2000 financial year the following payments were made to PricewaterhouseCoopers:

Purpose of the work undertaken	Cost	Selection Process
Supply of regulatory impact assessment services to the working party on the Australian Horticultural Corporation export control and product board powers	$31,700	Selective tender
Outsourcing implementation of HR services	$110,000	Open tender
Financial advisory assistance	$85,828	Limited tender
Independent financial assessment and investment analysis of business proposals eligible for Forest Industry Structural Adjustment Package (FISAP) funding	$30,463	Open tender
Purpose of the work undertaken	Cost	Selection Process
Facilitation of a strategic Planning Workshop	$1,848	Known to Department, highly skilled available at very short notice
Rural Partnership Program mid-term review	$100,000	Open tender/short list

Defence Portfolio: Contracts to Ernst & Young

(Question No. 3311)

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Ernst & Young in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Ernst & Young.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Ernst & Young (open tender, shortlist or some other process).

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

(1) to (4) The information sought by the honourable senator is contained in the following table:

Purpose of Work	Cost	Selection Process
Provision of training and workshops for interested mentors and mentorees as a pilot program for the Defence Materiel Organisation	$22,758	Select Tender
Provision of specialist advice in relation to the imple-	$109,225.87	Restricted Tender

Purpose of Work	Cost	Selection Process
mentation of, and changes to, Fringe Benefits Tax within Defence		
Assistance with implementation of accrual accounting and preparation of Defence's accrual based reports	$1,046,723.70	Restricted Tender
Review of the banking functions within Defence (to validate processes and audit controls) following the implementation of agency banking arrangements	$22,021.16	Restricted Tender
Provision of expert advice concerning levels of insurance and deductibles relating to Defence's insurable risks	$26,976	Restricted Tender
Provision of advice and expertise to assist with the preparation of the financial statements within Defence	$303,280	Restricted Tender
Provision of expert assistance with recording of asset transactions associated with the provision of financial statements	$10,500	Restricted Tender
Provision of accounting advice on financial aspects of the Service Level Agreement between Defence and the Defence Housing Authority	$8,232	Restricted Tender
Advice on Fringe Benefits Tax	$14,931	Standing Offer
Group Manager sign-off for 1998-99 financial statements	$70,000	Standing Offer - Panel
Review of Defence Acquisition Organisation financial information for Group Manager sign-off of Defence financial statements	$15,192	Standing Offer - Panel
Services in respect of the Defence Acquisition Organisation 1999-2000 Group Sign Off	$60,000	Standing Offer - Panel
Training to support the Civilian Performance Management Scheme	$65,010	Standing Offer - Panel
Delivery of training for the Civilian Performance Management Scheme	$115,586	Standing Offer - Panel
Preparation and facilitation of Quality Assurance Workshop	$4,500	Single Source
ADF Accrual Accounting Introduction Project - develop an Support Command Australia's accrual budget in line with ADF requirements	$2,094.32	Standing Offer
ADF Accrual Accounting Introduction Reporting Project - develop an accrual accounting inventory report in line with ADF requirements	$6,970.79	Standing Offer
Work environment survey, group education, development and review	$40,500	Single Source
The mapping and analysis of Support Command Australia's warehousing and physical distribution system and recommendations as to how these activities should be managed in the future. Costing of these activities. Assist with the market testing contract preparation, including statement of requirement and tender evaluation	$39,850	Standing Offer - Panel
Provision of workshop facilitators for Business Transformation Program	$21,050	Standing Offer - DOFA Panel
Provision of expert advice to Defence to assist its consideration of a specific, complex and large vendor proposal	$8,000	Shortlist - Panel
Preparations for and conduct of Defence Estate Organisation Branch Planning Workshops	$10,400	Single Source
Professional services provided in completing feasibility study and report	$26,915	Restricted Tender
Review of the feasibility of a single health record for ADF members	$141,250	Standing Offer
Commercial Support Program Tier 1 Separation Training	$71,572.78	Restricted Tender

Industry, Science and Resources Portfolio: Contracts to Ernst & Young
(Question No. 3315)

Senator Robert Ray asked the Minister for Industry, Science and Resources, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Ernst & Young in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Ernst & Young.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Ernst & Young (open tender, short-list or some other process).

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

(1) The Department of Industry Science & Resources and its agencies have provided 16 contracts to the firm Ernst & Young in the 1999-2000 financial year.

(2) Purpose of work undertaken	(3) Amount Paid on contract in FY 1999/2000	Total Value of Contract	(4) Selection Process
Benchmarking Study of R&D costs in selected segments of the Australian Biotechnology industries	$81,700	$81,700	Restricted Tender
Prepare a Scoping Study on financial management, reporting, education and processing	$100,000	$100,000	Restricted Tender
Activity Based Costing Trial	$63,000	$63,000	Restricted Tender
Financial responsibilities training for Managers	$8,000	$17,600	Restricted Tender
Development of financial procedures covering transaction processing	$37,520	$44,400	Restricted Tender
Project Management of the FMIS upgrade	$43,200	$49,200	Restricted Tender
Development of Cash Management Agency Banking practices	$172,062	$200,000	Restricted Tender
Development and mapping of financial processes	$38,550	$40,000	Restricted Tender
Provision and marketing of First Australian Biotechnology Report	$80,000	$80,000	Restricted Tender
Undertake Biotechnology Case Studies	$12,771	$12,771	Restricted Tender
Review and evaluation of the Australian Industry Involvement Deed between the Commonwealth and AIRSYS	$20,321	$22,825	Restricted Tender
Development of specifications and tender documentation to market testing of property management services (IP Australia)	$31,500	$31,500	Restricted Tender
Provision of financial and accounting advice during the formulation of the Textiles, Clothing and Footwear Strategic Investment Program	$19,973	$20,000	Restricted Tender
Undertake comprehensive training for all staff in the Performance Management System (AGAL)	$43,656	$43,656	Restricted Tender

(2) Purpose of work undertaken	(3) Amount Paid on contract in FY 1999/2000	Total Value of Contract	(4) Selection Process
Corporate Performance Management Training	$22,100	$22,100	Restricted Tender
Audit of Tasmanian Earth Resources Satellite Station Facility (AUSLIG)	$2,000	$2,000	Restricted Tender

Attorney-General's Portfolio: Contracts to Ernst & Young

(Question No. 3316)

Senator Robert Ray asked the Minister representing the Attorney-General, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Ernst & Young in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Ernst & Young.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Ernst & Young (open tender, short-list or some other process).

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator's question:

I am advised by the Department and agencies within my portfolio that the following contracts have been entered into with Ernst & Young:

ATTORNEY-GENERAL'S DEPARTMENT

(1) and (2)

(a) Consultancy - market testing of banking services

(b) Labour hire contract - preparation of the 1998-99 financial statements

(c) Development of service level documents for IT outsourcing. This project formed part of the Department's preparations for outsourcing under the Whole of Government IT Infrastructure Outsourcing Initiative. The purpose of the project is to assist the department to develop service level agreement in key areas of IT infrastructure.

(3) (a) $7,804.50 expended in 1999-2000. $15,000 total consultancy.

(b) $18,430

(c) The project is not complete. The cost is capped at $36,000 and is currently within budget.

(4) (a) Short-list

(b) Selected tender

(c) Ernst & Young are members of the Panel of CTC Consultants for management consultancy maintained by the Department of Finance and Administration. They were selected as the most suitable supplier based on Commonwealth Procurement Guidelines.

FEDERAL COURT OF AUSTRALIA

(1) and (2) Internal audit services

(3) $49,695

(4) Selected tender in 1997-98

AUSTRALIAN FEDERAL POLICE (AFP)

(1) and (2)

(a) To conduct a financial risk assessment of the business area in question – then produce a reasonable Commonwealth position in respect of capping liability under a contract

(b) Review devolved banking strategies and practices

(c) Assistance in developing ACT Community Policing Costing Model

(3) (a) $5,000

(b) $13,468

(c) $20,000

(4) (a) The individual service provider was selected on the basis of known expertise in the area

(b) Short listed due to previous experience with AFP's accounting framework

(c) Expression of interest.

AUSTRALIAN CUSTOMS SERVICE

(1) and (2)

(a) Expert Treasury/cash management advice

(b) Financial advisory services in relation to Fringe Benefits Tax

(3) (a) $39,886

(b) $8,999

(4) (a) Selective tender

(b) Direct engagement – particular expertise in the field

Agriculture, Fisheries and Forestry Portfolio: Contracts to Ernst & Young (Question No. 3318)

Senator Robert Ray asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Ernst & Young in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Ernst & Young.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Ernst & Young (open tender, short-list or some other process).

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

Departmental records indicate that in the 1999-2000 financial year the following payments were made to Ernst & Young:

Purpose of the work undertaken	Cost	Selection Process
Independent financial assessments of business proposals and investment analysis of applications under the Eden Region Adjustment Package	$55,410	Open tender
Development of business management improvement strategy	$32,520	Limited tender process
Provision of accounting assistance	$23,589	Sole supplier - updated previous plan prepared by Ernst & Young
Provision of internal audit services	$824,130	Selective tender - short list provided by Department of Finance who had recently undertaken a similar process
'Data trawl' Benchmarking Research of publicly available benchmarks	$5,625	Specific expertise required
Purpose of the work undertaken	Cost	Selection Process
Professional services in relation to provision of accounting assistance for financial statements	$26,644	Previous consultant expertise

Purpose of the work undertaken	Cost	Selection Process
Accounting assistance - reconciliation of assets and levies	$13,867	Previous consultant expertise
Strategic financial advice in managing corporate finances	$145,620	Extended scope of existing contract
Strategic review of accounting system implementation	$8,740	Previous consultant expertise
Business advisory role - market testing of corporate services	$165,437	Selective tender utilising Department of Finance Competitive Tendering and Contracting (CTC) panel

Defence Portfolio: Contracts to Arthur Andersen

(Question No. 3328)

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Arthur Andersen in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Arthur Andersen.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Arthur Andersen (open tender, shortlist or some other process).

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

(1) to (4) The information sought by the honourable senator is contained in the following table:

Purpose of Work	Cost	Selection Process
Provision of technical network computer support due to severe staff shortages	$61,210.80	Shortlist
Assist with the developing the Health Usage Monitoring System for the Lead-in Fighter	$99,600	Restricted Tender
Development of a computerised system to track the maintenance management of ADF aviation assets	$6,817,399.78	Public Tender
Research inventory management requirements for Maritime Defence Assurance Systems	$503,001	Open Tender
Provision of specialist IT services in maintaining network	$91,026	Restricted Tender
Provision of specialist database administration in Defence Computing Bureau	$210,994	Standing Offer
Provision of technical assistance for Defence information architecture remediation for year 2000 compliance	$75,040	Restricted Tender

Industry, Science and Resources Portfolio: Contracts to Arthur Andersen

(Question No. 3332)

Senator Robert Ray asked the Minister for Industry, Science and Resources, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Arthur Andersen in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Arthur Andersen.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Arthur Andersen (open tender, short-list or some other process).

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

(1) The Department of Industry, Science & Resources and its agencies have provided 3 contracts to the firm Arthur Andersen in the 1999-2000 financial year.

(2) Purpose of work undertaken	(3) Amount Paid on contract in FY 1999/2000	Total Value of Contract	(4) Selection Process
Develop User Notes for use by the applicant to complete the TCF SIP Registration Form	$15,000	$15,000	Restricted Tender
International Benchmarking Study of Building & Construction Industries	$460,000	$720,000	Open Tender
Develop Policy and Procedure manuals for Expanded Overseas Assembly Provisions Scheme	$10,155	$10,155	Restricted Tender

Attorney-General's Portfolio: Contracts to Arthur Andersen

(Question No. 3333)

Senator Robert Ray asked the Minister representing the Attorney-General, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Arthur Andersen in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Arthur Andersen.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Arthur Andersen (open tender, short-list or some other process).

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator's question:

I am advised by my Department that the following contracts have been entered into with Arthur Anderson:

ATTORNEY-GENERAL'S DEPARTMENT

(1) No contracts were entered into directly with Arthur Andersen, however seven contracts for personnel services were held with Andersen Contracting, a business entity of Andersen Consulting in Australia and New Zealand, who were in partnership with Arthur Andersen (part of the Arthur Andersen Group).

One contract was with Andersen Software Services P/L for personnel service.

(2) Six contracts were for the provision of help desk services.

One contract was to develop, maintain and manage a detailed project plan for the department's IT outsourcing project.

One contract was for the provision of operational management of the Year 2000 Test Laboratory.

(3) (a) Help Desk Services - $205,675

(b) IT Outsourcing Project - $111,865

(c) Year 2000 Project - $58,880

(4) Each contract was selected by short-list.

Agriculture, Fisheries and Forestry Portfolio: Contracts to Arthur Andersen

(Question No. 3335)

Senator Robert Ray asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 24 January 2001:

(1) What contracts has the department or any agency of the department provided to the firm Arthur Andersen in the 1999-2000 financial year.

(2) In each instance what was the purpose of the work undertaken by Arthur Andersen.

(3) In each instance what has been the cost to the department of the contract.

(4) In each instance what selection process was used to select Arthur Andersen (open tender, short-list or some other process).

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator's question:

Departmental records indicate that in the 1999-2000 financial year no payments were made to Arthur Andersen.

Department of Defence: Legal Advice

(Question No. 3374)

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

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

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

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

(1) $1,592,541

(2) $7,424,115.

Family and Community Services Portfolio: Value of Market Research

(Question No. 3388)

Senator Robert Ray asked the Minister for Family and Community Services, upon notice, on 29 January 2001:

(1) What is the total value of market research sought by the department and any agencies of the department for the 1999-2000 financial year.

(2) What was the purpose of each contract let.

(3) In each instance: (a) how many firms were invited to submit proposals; and (b) how many tender proposals were received.

(4) In each instance, which firm was selected to conduct the research.

(5) In each instance: (a) what was the estimated or contract price of the research work; and (b) what was the actual amount expended by the department of any agency of the department.

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

(1) (2) (4) (5)(b) The information is listed in the Annual Reports of the Department of Family and Community Services (which includes the Child Support Agency and CRS Australia); the Social Security Appeals Tribunal; Centrelink; and the Australian Institute of Family Studies.

(3) (5) (a) The detailed information referred to in the honourable senator's question is not readily available in consolidated form. I am advised that to collect and assemble such information solely for the purpose of answering the honourable senator's question would be a major task and would cost in the order of $16,000. I am not prepared to authorise the expenditure of resources and effort that would be involved.

Attorney-General's Portfolio: Value of Market Research

(Question No. 3395)

Senator Robert Ray asked the Minister representing the Attorney-General, upon notice, on 29 January 2001:

(1) What was the total value of market research sought by the department and any agencies of the department for the 1999-2000 financial year.

(2) What was the purpose of each contract let.

(3) In each instance: (a) how many firms were invited to submit proposals; and (b) how many tender proposals were received.

(4) In each instance, which firm was selected to conduct the research.

(5) In each instance: (a) what was the estimated or contract price of the research work; and (b) what was the actual amount expended by the department or any agency of the department.

Senator Ellison—The Attorney-General has provided the following answer to the honourable senator's question:

ATTORNEY-GENERAL'S DEPARTMENT

Criminal Justice Division

(1) $32,333

(2) (a) Product focus testing and research to gauge appeal and potential effectiveness of the proposed product (sexual violence Z Cards);

(b) Research and evaluation as to the ultimate effectiveness of the sexual violence Z Cards following distribution to female tertiary students.

(2) (a) In the case of the market research performed prior to the launch of the Z Cards, the task was sub-contracted to CM Research by Z Card Asia Pacific (trading as SG Media). Z Card Asia Pacific was directly engaged as the sole provider of the required product;

(b) In the case of the Z Card evaluation, Anthony Dare Consulting was selected on the basis of work previously undertaken for the Department in evaluating a National Crime Prevention training stratgegy. The contract for the training strategy, awarded following a selective tender process, contained a provision to allow additional evaluation services to be undertaken by the consultant.

(4) (a) Z Card Asia Pacific, trading as SG Media, sub-contracted the pre-production research for the project to CM Research;

(b) Anthony Dare Consulting was appointed to undertake the final project evaluation.

(5) (a) The contract price for the research work was:

- $8,715 GSI Media (for work performed by CM Research)
- $27,000 Anthony Dare Consulting.

(b) The actual expenditure for each was:

- $8,715 GSI Media
- $23,618 Anthony Dare.

HIGH COURT OF AUSTRALIA

(1) $14,850

(2) $12,000 was paid to the Canberra Tourism and Events Corporation (CTEC) as the Court's share of the cost of market research undertaken in relation to CTEC's National Institutions tourism promotion

(3) Not known. The tender process was conducted by CTEC

(4) Frank Small & Associates

(5) The total cost of the research was $120,000, of which the High Court's portion was $12,000.

AUSTRALIAN FEDERAL POLICE

(1) $18,850

(2) Client satisfaction survey – IT

(3) (a) One

(b) Result of a previous tender in which only two tenders were received

(4) Market Attitude Research

(5) (a) $18,650

(b) $18,650

Defence Export Approvals
(Question No. 3427)

Senator Bourne asked the Minister representing the Minister for Defence, upon notice, on 8 February 2001:

(1) What were the top 200 defence export approvals, by value, for the 1995-96, 1996-97, 1997-98 and 1998-99 financial years.

(2) Which companies were involved in each of these contracts.

(3) To which countires did each of these approvals refer.

(4) What was the nature of the equipment involved in each contract.

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

(1) to (4) The information sought by the honourable senator is shown in the following tables. The export approvals cover goods that are included in Schedule 13 of the Customs (Prohibited Exports) Regulations prior to 12 December 1996, and included in Part 1 of the Defence and Strategic Goods List under Regulation 13E from that date onwards.

The approvals include non-military lethal goods such as non-military firearms and ammunition as well as commercial explosives. The approvals include temporary exports for demonstration and evaluation purposes; returns to manufacturers for warranty and other repairs; and returns to owners of goods that have been repaired or returned after trials in Australia.

In line with previous questions of this type, the names of the exporters are not being released due to the Commercial-in-Confidence nature of the information.

Value (AUD)	Destination	Nature of Goods
1995/96		
16,750,000	United States	Military equipment parts & components
9,512,495	United States	Military equipment parts & components
6,740,940	Indonesia	Mine detection equipment
6,000,000	United States	Commercial explosives or propellants
5,762,000	Palau	Vessels of war
5,700,000	United States	Commercial explosives or propellants
5,620,000	Fiji	Vessels of war
4,548,119	United States	Military equipment parts & components
3,742,000	Singapore	Large calibre armaments
3,472,760	Indonesia	Mine detection equipment
3,470,051	Canada	Fire control systems
3,050,000	Pakistan	Fire control systems
3,000,000	France	Fire control systems
2,700,000	United States	Fire control systems
2,673,064	United States	Military equipment parts & components
2,329,081	United States	Military training equipment
2,264,061	Singapore	Military training equipment
1,700,000	Thailand	Military vehicles
1,695,000	Italy	Fire control systems

Value (AUD)	Destination	Nature of Goods
1,504,300	Denmark	Explosive detection or disposal equipment
1,179,717	Thailand	Military electronic equipment
1,130,000	Indonesia	Fire control systems
1,025,000	United States	Military explosives or propellants
1,001,000	United States	Military explosives or propellants
1,000,000	Canada	Military electronic equipment
855,564	United Kingdom	Fire control systems
675,129	Sweden	Fire control systems
538,500	Malaysia	Military explosives or propellants
525,605	Indonesia	Mil radio or cryptographic equipment
508,756	United States	Non-military firearms
500,000	Singapore	Explosive detection or disposal equipment
500,000	Netherlands	Explosive detection or disposal equipment
500,000	Japan	Military training equipment
446,144	United States	Military aircraft, UAVs
427,696	United Kingdom	Military equipment parts & components
420,000	United States	Explosive detection or disposal equipment
400,000	United States	Military equipment parts & components
360,520	United Kingdom	Military radio equipment
350,000	United States	Production or test equipment
350,000	Brazil	Bombs, rockets, torpedoes
344,752	United States	Military electronic equipment
342,658	United Kingdom	Mil radio or cryptographic equipment
324,013	Germany	Non-military ammunition, projectiles
300,000	United States	Military equipment parts & components
271,000	United States	Military equipment parts & components
265,282	Austria	Bombs, rockets, torpedoes
244,050	South Africa	Military vehicles
238,450	United States	Production or test equipment
237,387	New Zealand	Military equipment parts & components
235,000	Germany	Military explosives or propellants
228,600	United Kingdom	Military ammunition
200,911	Malaysia	Military electronic equipment
184,430	Singapore	Military vehicles
178,512	Solomon Islands	Military explosives or propellants
175,000	Kuwait	Non-military ammunition, projectiles

Value (AUD)	Destination	Nature of Goods
164,205	Kuwait	Non-military ammunition, projectiles
160,000	Germany	Military explosives or propellants
155,000	United States	Military equipment parts & components
154,867	United Kingdom	Special naval equipment
150,000	Sweden	Imaging or countermeasure equipment
144,023	South Korea	Non-military ammunition, projectiles
139,450	United States	Production or test equipment
127,189	United States	Military equipment parts & components
120,000	Japan	Body armour
119,550	United States	Military vehicles
114,225	United States	Military electronic equipment
108,907	United States	Fire control systems
108,907	United States	Fire control systems
108,542	United States	Aircraft engines, equipment
100,000	Malaysia	Fire control systems
96,020	New Zealand	Commercial explosives or propellants
95,000	Sweden	Fire control systems
94,047	United States	Military vehicles
91,590	Malaysia	Non-military ammunition, projectiles
90,792	United States	Military equipment parts & components
90,384	United States	Military equipment parts & components
85,600	Sweden	Fire control systems
85,058	New Zealand	Commercial explosives or propellants
82,099	Israel	Fire control systems
80,671	Indonesia	Military firearms
80,000	United Kingdom	Military electronic equipment
80,000	Thailand	Explosive disruption equipment
80,000	United States	Military equipment parts & components
79,000	Malaysia	Fire control systems
77,951	Israel	Fire control systems
75,562	New Zealand	Commercial explosives or propellants
72,800	Hong Kong	Non-military ammunition, projectiles
72,000	United Kingdom	Military explosives or propellants
71,280	United States	Aircraft engines, equipment
70,000	United States	Military equipment parts & components
69,000	United Kingdom	Non-military firearms

Value (AUD)	Destination	Nature of Goods
68,730	Philippines	Non-military ammunition, projectiles
67,665	Kuwait	Non-military ammunition, projectiles
67,000	United States	Production or test equipment
65,532	Kuwait	Non-military ammunition, projectiles
65,496	New Zealand	Commercial explosives or propellants
65,000	United States	Military vehicles
64,800	United States	Military electronic equipment
64,000	United States	Fire control systems
62,000	United States	Production or test equipment
62,000	United States	Aircraft engines, equipment
61,008	United States	Military firearms
60,362	New Zealand	Commercial explosives or propellants
60,000	Malaysia	Military software
60,000	Sweden	Fire control systems
60,000	Germany	Non-military firearms
60,000	Canada	Classified goods
58,851	Singapore	Commercial explosives or propellants
57,501	Philippines	Non-military ammunition, projectiles
54,423	New Zealand	Commercial explosives or propellants
52,488	Thailand	Military radio equipment
52,000	New Zealand	Military electronic equipment
51,900	Malaysia	Military equipment parts & components
51,706	United States	Non-military firearms
50,870	United States	Military equipment parts & components
50,836	New Zealand	Commercial explosives or propellants
50,000	France	Fire control systems
50,000	France	Military software
47,520	United States	Aircraft engines, equipment
45,600	Austria	Non-military firearms
45,000	Fiji	Military equipment parts & components
45,000	Palau	Military firearms & parts
44,827	United States	Fire control systems
44,259	United States	Military equipment parts & components
44,259	United States	Military equipment parts & components
44,000	Indonesia	Imaging or countermeasure equipment
43,600	New Zealand	Commercial explosives or propellants

Value (AUD)	Destination	Nature of Goods
42,396	United States	Military equipment parts & components
42,320	Philippines	Non-military ammunition, projectiles
40,000	United States	Military equipment parts & components
40,000	United States	Fire control systems
40,000	United Kingdom	Imaging or countermeasure equipment
40,000	United Kingdom	Military equipment parts & components
40,000	Papua New Guinea	Military equipment parts & components
38,042	New Zealand	Non-military ammunition, projectiles
38,000	Thailand	Military firearms
37,602	Austria	Military equipment parts & components
37,000	Thailand	Aircraft engines, equipment
36,750	United Kingdom	Non-military firearms
36,118	New Zealand	Commercial explosives or propellants
36,084	New Zealand	Commercial explosives or propellants
36,000	Slovakia	Fire control systems
35,322	New Zealand	Non-military firearms
35,000	United States	Military electronic equipment
35,000	Philippines	Armoured or protective equipment
34,690	Malaysia	Military electronic equipment
34,690	Germany	Military electronic equipment
34,567	Belgium	Military equip. parts & components
34,050	Japan	Non-military ammunition, projectiles
33,160	New Zealand	Non-military firearms
32,000	New Zealand	Military equipment parts & components
31,530	Papua New Guinea	Commercial explosives or propellants
31,000	United States	Aircraft engines, equipment
30,135	New Zealand	Military electronic equipment
30,000	United States	Fire control systems
29,786	Thailand	Non-military ammunition, projectiles
29,661	United States	Military equipment parts & components
29,093	New Zealand	Non-military firearms
28,431	Cook Islands	Military firearms & parts
28,321	New Zealand	Commercial explosives or propellants
28,219	United States	Military equipment parts & components
28,000	Sweden	Fire control systems
27,993	Singapore	Commercial explosives or propellants

Value (AUD)	Destination	Nature of Goods
27,983	Papua New Guinea	Non-military ammunition, projectiles
27,600	Philippines	Non-military ammunition, projectiles
27,120	United States	Military equipment parts & components
27,000	United States	Production or test equipment
26,794	Singapore	Non-military ammunition, projectiles
26,100	United Kingdom	Military electronic equipment
25,750	Spain	Non-military firearms, barrels
25,500	New Zealand	Smoke generators
25,000	United Kingdom	Military electronic equipment
25,000	Italy	Mil radio or cryptographic equipment
25,000	United Kingdom	Non-military firearms
25,000	Hong Kong	Commercial explosives or propellants
25,000	United States	Bombs, rockets, torpedoes
25,000	Germany	Non-military firearms
25,000	Switzerland	Fire control systems
25,000	Malaysia	Fire control systems
25,000	United States	Non-military firearms
24,750	Singapore	Commercial explosives or propellants
24,200	South Korea	Commercial explosives or propellants
23,650	Malaysia	Non-military firearms
23,381	Japan	Non-military ammunition, projectiles
23,076	United States	Military equipment parts & components
23,050	Papua New Guinea	Military equipment parts & components
22,700	Japan	Non-military firearms
22,321	Belgium	Imaging or countermeasure equipment
22,250	United Kingdom	Non-military firearms
22,033	Papua New Guinea	Military equipment parts & components
21,750	New Zealand	Military equipment parts & components
21,500	South Africa	Non-military firearms
21,289	New Caledonia	Non-military firearms
20,764	New Caledonia	Non-military ammunition, projectiles
20,700	United States	Military firearms
20,675	Singapore	Non-military ammunition, projectiles
20,540	United States	Fire control systems
20,500	Singapore	Commercial explosives or propellants
20,366	Italy	Non-military firearms

Value (AUD)	Destination	Nature of Goods
20,130	Papua New Guinea	Commercial explosives or propellants
1996/97		
400,000,000	New Zealand	Military vessel
35,500,000	United Kingdom	Unmanned airborne vehicles
20,000,000	Bangladesh	Radar equipment
20,000,000	Kuwait	Military vehicles
20,000,000	Pakistan	Radar equipment
20,000,000	United States	Aircraft parts
11,889,909	Brunei	Military vessels
10,000,000	Thailand	Vessel production technology
6,740,940	Indonesia	Mine detection equipment
6,500,000	United States	Non-military explosives
6,000,000	Several (licence) including:	Non-military explosives
	Hong Kong	
	Indonesia	
	New Zealand	
	Papua New Guinea	
	Philippines	
	Singapore	
	Sweden	
	United States	
	Vietnam	
5,755,549	Micronesia	Military vessel
5,500,000	United Arab Emirates	Training/simulation equipment
4,508,365	Pakistan	Missile jamming equipment
4,100,000	United States	Fire control system
4,000,000	Indonesia	Military aircraft
3,100,000	Indonesia	Training/simulation equipment
3,000,000	France	Fire control equipment
2,690,000	United States	Military vehicles
2,365,710	United States	Military software
2,365,710	United States	Military software
2,175,000	Singapore	Military vehicles
2,000,000	Israel	Military electronics equipment
1,860,000	Malaysia	Military software
1,500,000	Thailand	Training/simulation equipment

Value (AUD)	Destination	Nature of Goods
1,450,000	Sweden	Fire control system
1,328,381	Malaysia	Training/simulation equipment
1,212,300	United States	Aircraft parts
1,177,311	Singapore	Large calibre weapons
1,100,000	Sweden	Military software
1,020,725	Singapore	Large calibre weapon accessories
975,000	United Kingdom	Military electronic equipment
874,634	Cambodia	Military radio equipment
860,000	United Kingdom	Vessel parts
853,000	United States	Military vehicles
850,000	Thailand	Military vehicles
787,000	France	Acoustic detection equipment
760,000	United States	Aircraft parts
636,000	Philippines	Non-military explosives
636,000	Philippines	Non-military explosives
600,000	Sweden	Training/simulation equipment
600,000	United States	Aircraft parts
539,734	United States	Military electronic equipment
521,380	United States	Military radio equipment
508,075	United States	Military electronic equipment
500,000	India	Military radio equipment
500,000	Japan	Training/simulation equipment
500,000	New Zealand	Non-military explosives
500,000	Papua New Guinea	Non-military explosives
500,000	Slovenia	Training/simulation equipment
446,044	Sweden	Radar equipment
422,463	Malaysia	Non-military explosives
400,000	United Arab Emirates	Military vehicle
388,822	Fiji	Non-military explosives
382,809	United States	Acoustic detection equipment
380,000	Singapore	Missiles
367,363	United States	Aircraft parts
332,402	Italy	Military computer equipment
326,022	Malaysia	Non-military explosives
313,300	United Kingdom	Mine detection equipment
302,604	Malaysia	Non-military explosives
298,000	United States	Depth-charge launchers
290,000	United Arab Emirates	Imaging equipment

Value (AUD)	Destination	Nature of Goods
290,000	United Kingdom	Imaging equipment
275,000	Papua New Guinea	Ballistic vests
271,000	United States	Aircraft parts
259,873	United Kingdom	Military computer equipment
254,378	United States	Aircraft parts
227,793	Austria	Military detonators
211,982	United States	Aircraft parts
210,812	Indonesia	Non-military explosives
186,851	Kuwait	Non-military ammunition
185,701	United Kingdom	Military radio equipment
181,629	Malaysia	Training/simulation equipment
177,305	Kuwait	Non-military ammunition
176,000	United States	Large calibre armament
164,412	South Korea	Non-military ammunition
164,204	Kuwait	Non-military ammunition
150,000	Germany	Military explosives
140,000	United Arab Emirates	Ballistic vests
132,777	United States	Aircraft parts
131,580	United Kingdom	Military detonators
124,550	Philippines	Non-military explosives
120,000	Japan	Ballistic vests
117,500	Papua New Guinea	Ballistic vests
115,885	United States	Non-military firearms
110,000	United Arab Emirates	Fire control system
109,657	Thailand	Military radio equipment
107,996	New Zealand	Non-military explosives
107,901	Thailand	Training/simulation equipment
106,581	New Zealand	Non-military explosives
106,000	United States	Non-military firearms
103,107	United States	Military electronics equipment
102,564	South Africa	Non-military firearms
100,000	France	Fire control equipment
100,000	Greece	Fire control system
100,000	Indonesia	Fire control system
100,000	Israel	Fire control system
100,000	Jordan	Fire control system
100,000	Malaysia	Fire control equipment
100,000	Oman	Fire control equipment

Value (AUD)	Destination	Nature of Goods
100,000	Singapore	Fire control equipment
100,000	Sweden	Fire control equipment
100,000	Turkey	Fire control system
100,000	United Arab Emirates	Fire control equipment
100,000	United Kingdom	Fire control equipment
100,000	United States	Aircraft parts
100,000	United States	Fire control equipment
100,000	United States	Fire control system
100,000	Vietnam	Fire control system
98,620	Philippines	Non-military ammunition
96,500	United Kingdom	Military vehicles
95,318	United States	Aircraft parts
92,010	Hong Kong	Non-military explosives
90,300	Fiji	Non-military explosives
86,784	Thailand	Military firearms
86,300	United States	Military software
85,600	Sweden	Fire control system
85,000	Sri Lanka	Ballistic vests
85,000	Thailand	Ballistic vests
83,298	South Africa	Non-military explosives
81,030	United States	Fire control equipment
80,000	United States	Inert ammunition
75,000	United States	Non-military firearms
73,710	United Kingdom	Military computer systems
71,280	Norway	Signal flares
70,000	United States	Non-military firearms
69,667	New Zealand	Non-military explosives
69,100	Thailand	Military detonators
67,239	India	Aircraft parts
65,000	United Kingdom	Non-military firearms
63,250	Belgium	Ammunition accessories
61,400	United States	Aircraft parts
60,540	Singapore	Non-military ammunition
60,115	Belgium	Military firearm components
57,372	Israel	Alerting and warning equipment
56,475	New Zealand	Military pyrotechnics
56,405	New Caledonia	Non-military firearms
56,145	Malaysia	Training/simulation equipment

Value (AUD)	Destination	Nature of Goods
55,645	New Zealand	Military explosives
55,506	Philippines	Military ammunition
52,950	Malaysia	Military firearm accessories
51,936	Yugoslavia	Military radio equipment
51,199	United Kingdom	Non-military firearm accessories
50,000	Denmark	Fire control equipment
50,000	Turkey	Fire control system
45,794	United States	Aircraft parts
45,794	United States	Aircraft parts
45,612	New Zealand	Non-military explosives
45,300	United States	Non-military firearms
45,000	Micronesia	Military firearms
44,850	United States	Aircraft parts
44,259	United States	Aircraft parts
42,396	United States	Aircraft parts
42,396	United States	Aircraft parts
42,360	Malaysia	Military firearm accessories
40,051	United States	Aircraft parts
40,000	United Kingdom	Aircraft parts
40,000	United Kingdom	Aircraft parts
40,000	United States	Fire control system
39,125	United States	Aircraft parts
38,750	Hong Kong	Non-military explosives
38,657	New Zealand	Non-military firearms
37,500	United Kingdom	Non-military ammunition
36,800	New Zealand	Non-military explosives
35,621	United States	Aircraft parts
35,620	United States	Aircraft parts
35,500	United Kingdom	Military firearms and/or components
35,000	Germany	Non-military firearms
35,000	United States	Non-military firearms
34,048	United States	Training/simulation equipment
33,680	United States	Military electronic equipment
32,800	Singapore	Non-military ammunition
32,555	New Caledonia	Non-military firearms
32,454	United States	Aircraft parts
32,123	New Zealand	Naval equipment
31,879	New Zealand	Ammunition production equipment

Value (AUD)	Destination	Nature of Goods
31,513	Papua New Guinea	Non-military ammunition
31,200	Singapore	Non-military explosives
30,128	United States	Aircraft parts
30,000	Papua New Guinea	Ballistic vests
30,000	United States	Military radio equipment
29,800	United States	Acoustic detection equipment
29,567	Vanuatu	Non-military firearms
28,250	Hong Kong	Non-military explosives
28,000	United States	Missile parts
27,389	South Africa	Non-military telescopic sights
27,285	Singapore	Non-military ammunition
26,400	United Kingdom	Military firearms and/or components
25,752	Thailand	Non-military explosives
25,000	New Zealand	Fire control system
25,000	Switzerland	Fire control system
25,000	Thailand	Fire control system
24,810	United States	Military electronics equipment
24,334	Malaysia	Non-military explosives
24,000	Brunei	Non-military ammunition
24,000	United States	Non-military firearms
23,777	South Africa	Non-military telescopic sights
23,760	United States	Aircraft parts
23,692	United States	Aircraft maintenance equipment
1997/98		
10,000,000	Sweden	Military software
10,000,000	Sweden	Military software
6,000,000	United States	Training & simulation equipment
6,000,000	Hong Kong (licence)	Commercial explosives, propellants
	Indonesia	
	New Zealand	
	Philippines	
	Papua New Guinea	
	Singapore	
	Sweden	
	United States	
	Vietnam	
6,000,000	Hong Kong (licence)	Commercial explosives, propellants
	Indonesia	
	New Zealand	

Value (AUD)	Destination	Nature of Goods
	Philippines	
	Papua New Guinea	
	Singapore	
	Sweden	
	United States	
	Vietnam	
5,393,000	Singapore	Military weapons
4,628,000	Indonesia	Mine sweeping / detection equipment
4,234,748	Pakistan	Military electronic equipment
4,100,000	United States	Military aircraft, parts & components
3,800,000	Philippines	Commercial explosives equipment
2,900,000	Denmark	Mine sweeping / detection equipment
2,501,914	Indonesia	Military aircraft, parts & components
2,365,710	United States	Military software
2,117,432	New Zealand	Military aircraft, parts & components
2,080,000	United Kingdom	Fire control system
2,000,000	Israel	Military electronic equipment
1,906,000	Thailand	Mine sweeping / detection equipment
1,827,011	Indonesia	Military electronic equipment
1,506,708	Indonesia	Mine sweeping / detection equipment
1,488,032	United Kingdom	Military aircraft, parts & components
1,400,000	United States	Military training & simulation equipment
1,393,406	United States	Military aircraft, parts & components
1,028,819	Cambodia	Mine sweeping / detection equipment
888,245	Indonesia	Military aircraft, parts & components
800,000	Kuwait	Military ground vehicles
650,000	Indonesia	Submarine periscope
600,000	United States	Military ground vehicles
500,000	South Africa	Military software
500,000	Malaysia(licence)	Military software
	Singapore	
445,498	Thailand	Military firearms
437,000	United Kingdom	Military explosives, propellants
433,920	Bangladesh	Military electronic equipment
323,400	United States	Military aircraft, parts & components
323,400	United States	Military aircraft, parts & components
261,053	Canada	Military ground vehicles
251,830	Thailand	Military ammunition
240,690	Kuwait	Non military ammunition, projectiles
238,034	United Kingdom	Non military ammunition, projectiles
224,180	Philippines	Military firearms
200,000	United Kingdom	Non military firearms & components
200,000	Japan	Armoured or protective equipment
200,000	Philippines	Military aircraft, parts & components
200,000	United States	Fire control system

Value (AUD)	Destination	Nature of Goods
199,878	United States	Military aircraft, parts & components
190,414	Kuwait	Non military ammunition, projectiles
181,048	United Kingdom	Military electronic equipment
178,570	Israel	Fire control system
170,928	Sri Lanka	Armoured or protective equipment
168,069	United Kingdom	Non military ammunition, projectiles
161,026	United States	Non military firearms & components
158,156	Malaysia	Commercial explosives, propellants
151,800	United States	Military aircraft, parts & components
150,000	France	Military electronic equipment
150,000	United Kingdom	Non military firearms & components
142,487	Kuwait	Non military ammunition, projectiles
141,177	South Africa	Non military firearms & components
141,000	United Kingdom	Non military firearms & components
131,500	United States	Non military firearms & components
130,000	South Africa	Non military firearms & components
127,715	Germany	Non military ammunition, projectiles
119,679	United Kingdom	Military training & simulation equipment
119,460	Austria (licence)	Non military ammunition, projectiles
	Belgium	
	Germany	
	Norway	
	New Zealand	
	South Africa	
	Sweden	
	United Kingdom	
	United States	
	Zimbabwe	
112,867	New Zealand	Mine sweeping / detection equipment
108,871	New Zealand	Mine sweeping / detection equipment
104,940	New Zealand	Commercial explosives equipment
100,060	Thailand	Military ground vehicles
100,000	Vietnam	Fire control system
100,000	Norway	Fire control system
100,000	Norway	Fire control system
100,000	Saudi Arabia	Fire control system
100,000	Egypt	Fire control system
100,000	United States	Fire control systems
96,000	Venezuela	Military firearms
96,000	Malaysia	Non military ammunition, projectiles
95,457	France	Military firearms
93,000	United States	Non military firearms & components
91,600	New Zealand	Commercial explosives, propellants
91,195	United States	Military aircraft, parts & components
86,841	Egypt	Military training & simulation equipment

Value (AUD)	Destination	Nature of Goods
85,100	Rwanda	Mine sweeping / detection equipment
83,506	Singapore	Non military ammunition, projectiles
75,000	United States	Non military firearms & components
74,966	Thailand	Military ammunition
70,000	United States	Submarine
67,114	United States	Fire control system
63,250	Belgium (licence)	Military ammunition
	Canada	
	New Zealand	
	United Kingdom	
	United States	
60,948	United Kingdom	Submarine
60,000	Singapore	Fire control system
60,000	United Arab Emirates	Fire control system
60,000	Norway	Fire control system
60,000	United States	Fire control system
60,000	France	Fire control system
60,000	United States	Fire control system
58,982	United Kingdom	Military electronic equipment
55,500	Singapore	Non military firearms & components
54,644	New Zealand	Commercial explosives equipment
51,022	Micronesia	Military firearms
50,983	New Zealand	Mine sweeping / detection equipment
50,000	United States	Military training & simulation equipment
49,451	New Zealand	Commercial explosives, propellants
48,171	New Zealand	Commercial explosives, propellants
48,148	Denmark	Fire control system
48,020	United States	Military aircraft, parts & components
48,000	Cyprus	Non military firearms & components
47,816	New Zealand	Commercial explosives, propellants
46,200	New Zealand	Commercial explosives, propellants
45,000	Sweden	Military equipment & components
45,000	New Zealand	Military aircraft, parts & components
45,000	United States	Fire control system
44,400	New Zealand	Commercial explosives, propellants
44,400	New Zealand	Commercial explosives, propellants
42,538	Thailand	Non military ammunition, projectiles
42,500	Indonesia	Military software
42,306	Indonesia	Military electronic equipment
41,980	Malaysia	Military firearms
41,231	Germany	Non military ammunition, projectiles
40,711	Kuwait	Non military ammunition, projectiles
40,000	United Kingdom	Military aircraft, parts & components
40,000	United States	Non military firearms & components
40,000	Russia	Military electronic equipment

Value (AUD)	Destination	Nature of Goods
40,000	Germany	Fire control system
40,000	United States	Fire control system
39,168	Cyprus	Non military firearms & components
38,797	New Zealand	Commercial explosives, propellants
38,000	New Zealand	Commercial explosives, propellants
36,500	United Kingdom	Non military firearms & components
36,000	United States	Non military firearms & components
35,000	United States	Military ground vehicles
35,000	Germany (licence)	Non military firearms & components
	Iceland	
	Poland	
34,560	Hong Kong	Commercial explosives equipment
34,041	New Zealand	Military explosives, propellants
33,700	Solomon Islands	Non military firearms & components
33,500	New Zealand	Commercial explosives, propellants
32,400	New Zealand	Commercial explosives, propellants
31,800	United States	Military firearms
31,070	United States	Non military firearms & components
30,476	New Zealand	Mine sweeping / detection equipment
30,338	Indonesia	Military ammunition
30,000	Hong Kong	Armoured or protective equipment
30,000	Canada	Military software
30,000	Singapore	Fire control system
29,800	United States	Military electronic equipment
28,000	United Kingdom	Non military firearms & components
27,650	Japan	Non military firearms & components
27,527	Brunei Darussalam	Non military ammunition, projectiles
27,150	Austria	Military firearms
25,800	Thailand	Non military ammunition, projectiles
25,608	United Kingdom	Non military firearms & components
25,000	United Kingdom	Non military firearms & components
25,000	United States	Non military firearms & components
25,000	Malaysia	Fire control system
24,912	United States	Non military firearms & components
24,900	United States	Non military firearms & components
24,800	United States	Non military firearms & components
24,080	Papua New Guinea	Military aircraft, parts & components
24,000	United Kingdom	Non military firearms & components
23,985	United States	Non military firearms & components
23,266	New Caledonia	Non military firearms & components
23,200	United States	Military firearms
23,110	Papua New Guinea	Non military firearms & components
23,000	United States	Non military firearms & components
21,850	Poland	Non military firearms & components
21,230	Zone Of Cooperation A	Commercial explosives, propellants

Value (AUD)	Destination	Nature of Goods
21,000	United States	Non military firearms & components
20,900	United Kingdom	Mine sweeping / detection equipment
1998-99		
22,500,000	United States	Military aircraft, components
20,000,000	United States.	Military aircraft, components
18,900,000	Philippines	Non military firearms
5,500,000	United Arab Emirates	Military training equipment
5,000,000	France	Software
4,234,748	Pakistan	Military electronic equipment
4,000,000	United Kingdom	Military aircraft, UAVs
3,600,000	New Zealand	Military explosives and propellants
3,560,060	United States	Military aircraft, UAVs
3,300,000	United States	Mine sweeping/detection equipment
3,200,000	New Zealand	Commercial explosives / propellants
2,600,000	Papua New Guinea	Commercial explosives / propellants
2,501,914	Indonesia	Military aircraft, UAVs
2,471,902	France	Military training equipment
2,200,000	New Zealand	Commercial explosives / propellants
2,000,438	Japan	Mine sweeping/detection equipment
1,938,596	United Kingdom	Combat aircraft
1,460,000	Thailand	Mine sweeping/detection equipment
1,258,663	United Kingdom	military electronic equipment
1,169,964	Israel	military electronic equipment
969,904	Canada	Fire control systems
900,000	Canada	military electronic equipment
866,782	United States	Military firearms
843,262	Malaysia	Combat aircraft
692,076	United States	Aircraft engines
600,000	United States	Non military ammunition, projectiles
571,000	Papua New Guinea	Armour or protective equipment
455,000	Jordan	Mine sweeping/detection equipment
442,360	United States	Military aircraft parts & components
423,250	United States	Military electronic equipment
423,250	United States	Military training equipment
400,000	United States	Military aircraft equipment & components
390,625	United States	Military aircraft
382,809	United States	Military electronic equipment
360,000	French Polynesia	Non military ammunition, projectiles
320,000	Canada	Military training equipment
300,000	Sri Lanka	Mine sweeping / detection equipment
290,073	United Kingdom	Military aircraft
283,960	Myanmar	Commercial explosives / propellants
281,400	New Zealand	Military aircraft

Value (AUD)	Destination	Nature of Goods
279,122	Kuwait	Non military ammunition, projectiles
279,122	Kuwait	Non military ammunition, projectiles
243,408	Solomon Islands	Commercial explosives / propellants
240,000	France	Imaging or electronic countermeasures equipment
222,948	United Kingdom	Military electronic equipment
200,000	Solomon Islands	Commercial explosives / propellants
200,000	United States	Fire control systems
200,000	United States	Fire control systems
190,500	Germany	Military equipment & components
184,306	United Kingdom	Non military ammunition, projectiles
176,708	Kuwait	Non military ammunition, projectiles
169,585	United States	Military aircraft
166,817	Philippines	Non military ammunition, projectiles
159,000	Canada	Fire control systems
150,201	United States	Military aircraft
150,000	France	Fire control systems
150,000	Singapore	Fire control systems
150,000	United Kingdom	Fire control systems
150,000	Canada	Fire control systems
130,000	United Kingdom	Military aircraft, parts & components
130,000	Singapore	Military training equipment
125,000	South Africa	Military pyrotechnics
120,000	United Kingdom	Non-military firearms
120,000	United States	Fire control systems
118,980	Canada	Non-military firearms
113,373	South Korea	Non military ammunition, projectiles
109,550	Philippines	Military firearms
109,550	Philippines	Military firearms
108,871	New Zealand	Military explosives and propellants
104,306	United States	Military aircraft
100,250	Philippines	Military electronic equipment
100,000	United States	Military aircraft
100,000	United Arab Emirates	Fire control systems
100,000	Belgium	Fire control systems
100,000	United Arab Emirates	Fire control systems
95,445	Vanuatu	Non-military firearms
90,000	Mozambique	Mine sweeping/detection equipment
89,516	Czech Republic	Non-military firearms
86,200	United Kingdom	Military aircraft
84,793	United States	Military aircraft
83,200	Solomon Islands	Commercial explosives / propellants
82,800	United States	Non-military firearms
81,740	United States	Non-military firearms
80,000	United Kingdom	Military aircraft
80,000	Jordan	Fire control systems

Value (AUD)	Destination	Nature of Goods
76,640	Malaysia	Military pyrotechnics
75,625	Philippines	Non military ammunition, projectiles
75,000	Mozambique	Mine sweeping/detection equipment
75,000	United States	Fire control systems
73,909	France	Military electronic equipment
73,770	United States	Mine sweeping/detection equipment
71,271	New Zealand	Commercial explosives / propellants
70,000	United States	Fire control systems
70,000	United Kingdom	Non-military firearms
66,675	United Kingdom	Non-military firearms
65,345	United States	Military explosives and propellants
63,848	New Zealand	Commercial explosives / propellants
61,990	France	Non military ammunition, projectiles
61,698	New Zealand	Commercial explosives / propellants
60,790	Philippines	Non military ammunition, projectiles
60,185	United States	Non-military firearms
60,000	Macedonia	Mine sweeping/detection equipment
60,000	South Africa	Mine sweeping/detection equipment
59,700	United States	Non-military firearms
59,084	Kuwait	Non military ammunition, projectiles
59,000	United States	Military aircraft
59,000	United States	Military aircraft
58,852	South Africa	Military pyrotechnics
58,687	United Kingdom	Military explosives and propellants
57,905	United States	Military aircraft
53,257	United Kingdom	Military training equipment
52,240	Japan	Mine sweeping/detection equipment
49,300	Canada	Fire control systems
49,155	United Kingdom	Non-military firearms
47,500	United States	Non-military firearms
46,100	Singapore	Military aircraft
45,000	New Zealand	Military aircraft
44,259	United States	Military aircraft
43,301	Philippines	Non military ammunition, projectiles
43,000	United States	Non-military firearms
41,600	Solomon Islands	Commercial explosives / propellants
41,600	Solomon Islands	Commercial explosives / propellants
41,596	United States	Non-military firearms
41,578	New Zealand	Commercial explosives / propellants
40,000	South Africa	Military explosives and propellants
39,000	United States	Non-military firearms
38,500	United States	Non-military firearms
38197	United States	Military aircraft
38,000	New Zealand	Commercial explosives / propellants
38000	New Zealand	Non military ammunition, projectiles

Value (AUD)	Destination	Nature of Goods
36,025	Japan	Non military ammunition, projectiles
36,000	Zimbabwe	Mine sweeping/detection equipment
36,000	United Kingdom	military electronic equipment
35,116	Solomon Islands	Commercial explosives / propellants
35,000	Singapore	Military aircraft
35,000	Slovak Republic	Fire control systems
34,536	United States	Military explosives and propellants
34,050	United States	Military aircraft
33,860	United States	Diving equipment
33,552	New Zealand	Non-military firearms
33,130	Kuwait	Non military ammunition, projectiles
32,720	Norway	Military explosives and propellants
31,800	New Zealand	Non military ammunition, projectiles
31,490	Cyprus	Armour or protective equipment
31,260	United States	Military firearms
30,270	Malaysia	Non-military firearms
30,000	Hong Kong	Armour or protective equipment
30,000	United Kingdom	Military training equipment
30,000	United States	Military training equipment
28,302	United States	Military aircraft
28,050	New Zealand	Commercial explosives / propellants
27,715	Thailand	Non-military firearms
27,600	United Kingdom	Military explosives and propellants
27,420	United Kingdom	Non-military firearms
26,957	New Caledonia	Non-military firearms
26,870	United States	Non-military firearms
26,600	Tonga	Non military ammunition, projectiles
26,250	United Kingdom	Non-military firearms
26,000	South Africa	Military firearms
25,850	Japan	Non-military firearms
25,839	United Kingdom	Mine sweeping/detection equipment
25,519	Indonesia	Military ammunition, components
25,495	Papua New Guinea	Non-military firearms
25,304	Sri Lanka	Non-military firearms
25,000	United Kingdom	Mine sweeping/detection equipment
24,624	United Kingdom	Military firearms
24,000	United Kingdom	Non-military firearms
24,000	Thailand	Mine sweeping/detection equipment
22,495	United States	Military aircraft
21,700	South Africa	Non-military firearms
21,200	United Kingdom	Non-military firearms
20,000	United States	Non-military firearms
20,000	Canada	Military software
20,000	United Kingdom	Non-military firearms
20,000	United States	Military aircraft

Value (AUD)	Destination	Nature of Goods
20,000	United States	Military aircraft
20,000	United States	military electronic equipment
20,000	China	Fire control systems
19,875	United Kingdom	Non-military firearms
19,700	Solomon Islands	Commercial explosives / propellants
19,276	Spain	Non military firearms
19,125	New Zealand	Commercial explosives / propellants
18,760	Cyprus	Non-military firearms
18,000	New Zealand	Non-military firearms
18,000	United Kingdom	Fire control systems
18,000	United States	Military electronic equipment
17,960	Papua New Guinea	Non-military firearms
17,477	United States	Military aircraft
17,300	New Zealand	Non-military firearms
17,233	United States	Non-military firearms
17,000	United States	Non-military firearms
17,000	Papua New Guinea	Non-military firearms
17,000	Germany	Non-military firearms
16652	Papua New Guinea	Non military ammunition, projectiles
16,526	Papua New Guinea	Non military ammunition, projectiles
16,327	Philippines	Non military ammunition, projectiles
16,016	Kuwait	Non-military firearms
15,878	United States	Military electronic equipment

FNS *Perle*

(Question No. 3433)

Senator Brown asked the Minister representing the Minister for Defence, upon notice, on 23 February 2001:

With reference to several major accidents involving nuclear submarines in the past twelve months (Russia's *Kursk* sinking October 2000, the United Kingdom's (UK's) *Tireless* stranded in Gibraltar for 12 months, UK's *Tridents* recalled to base for major safety overhauls, French Rubis Amethyste class problems with radioactivitiy, USS *Greenbil*'s Pacific Ocean disaster with dismemberment of Japanese vessel, 9 February 2001):

(1) Why is the Australian Government putting Australian ports and people at risk by allowing the visit of FNS *Perle* to Australian ports in the next few weeks.

(2) (a) What is the purpose of the visit; and (b) will other French naval vessels be involved in the 'exercise opportunities' which are planned to take place off the west coast of Australia.

(3) What liability arrangements have been put in place with the French Government in the event of an accident.

(4) (a) What ports will be visited; (b) have the port safety plans of those ports been fully exercised to include accident scenarios relating to the release of ionising radiation; and (c) have provisions for evacuation and distribution of potassium iodine been made.

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

(1) Successive Australian Governments have welcomed visits made to Australian ports by the warships of our friends and allies. These visits are a normal part of a healthy defence relationship. Both conventionally and nuclear powered vessels conduct visits to Australian ports. Substantial benefits accrue to Australia's defence and foreign policy interests from our acceptance of foreign

warship visits, including from visits by nuclear powered warships (NPW). Close analysis of the nuclear safety characteristics of the Rubis Amethyste class of vessel give rise to no concerns over the prospect of a port visit by the FNS Perle.

(2)(a) The French are in Australia to exercise with Units of the Royal Australian Navy (RAN). The exercise, called OPALEX, aims to bring RAN ships to a higher degree of operational readiness and provide continuation training.

(b) The Perle is accompanied by the FNS Dupleix, a destroyer.

(3) The French and Australian Governments have exchanged Third Person Notes in which the French Government accepts absolute, unlimited liability for any nuclear incident caused by the reactor of a French Nuclear Powered Warship.

(4)(a) The French vessels will visit HMAS Stirling in Western Australia.

(b) Yes.

(c) Yes.

Foreign Affairs and Trade Portfolio: Fleet Vehicles

(Question No. 3451)

Senator Allison asked the Minister representing the Minister for Foreign Affairs and the Minister for Trade, upon notice, on 27 February 2001:

(1) How many cars does the department have in its fleet?

(2)(a) How many new cars will be purchased or leased in the 2000-01 financial year; and (b) can details be provided of the make, size and horsepower.

(3)(a) How many new cars were purchased or leased in the 1999-2000 financial year; and (b) can details be provided of the make, size and horsepower.

(4) How many cars in the fleet are fuelled by liquid petroleum gas (LPG) compressed natural gas (CNG) and petrol.

(5) Does the agency use its own LPG or CNG refuelling stations; if so, how many are there of these.

(6) Does the agency have a policy or strategy to reduce the fuel consumption of its car fleet, if so, can details be provided.

(7) What is the fuel efficiency rating of all cars in the fleet.

(8) How does the actual fuel consumption and mileage compare with that rating.

(9) Nationally, what operating savings would have been achieved for the 1999-2000 financial year if all cars in the fleet were run on: (a) LPG and (b) CNG.

Senator Hill—The Minister for Foreign Affairs and the Minister for Trade have provided the following answer to the honourable senator's question:

(1) As at 31 January the department had 102 leased cars in its Australia based fleet.

(2)(a) As at 31 January 2001, twenty-seven (27) new cars have been leased and a further nine (9) are expected to be leased before the end of this financial year.

(b) 3 Ford Futura 4 Litre 157 kW

4 Ford Falcon Forte 4 Litre 157 kW

1 Ford Falcon AU II XR 6 4 Litre 157 kW

1 Holden Commodore Executive 3.8 Litre 152 kW

4 Holden Acclaim 3.8 Litre 152 kW

2 Holden Calais VT 3.8 Litre 152 kW

2 Holden Vectra 2.2 Litre 100 kW

1 Holden Isuzu Jackaroo 3.5 Litre 158 kW

2 Mitsubishi Magna Advance 3.5 Litre 150 kW

2 Toyota Camry Conquest 3 Litre 141 kW

2 Toyota Camry CSX 2.2 Litre 94 kW

1 Toyota Vienta 3 Litre 141 kW
2 Toyota Avalon 3 Litre 145 kW
1 Toyota Corolla CSX 1.8 85 kW

(3)(a) 52 cars were leased in the 1999-2000 financial year.

(b) 6 Ford Futura 4 Litre 157 kW
3 Ford Falcon Forte 4 Litre 157 kW
1 Ford Fairmont 4 Litre 157 kW
1 Ford Festiva 1.5 56 kW
2 Holden Commodore 3.8 Litre 152 kW
7 Holden Acclaim 3.8 Litre 152 kW
1 Holden Calais 3.8 Litre 152 kW
1 Holden Berlina 3.8 Litre 152 kW
2 Holden Vectra 2.2 100 kW
13 Mitsubishi Magna Advance 3.5 Litre 140 kW
1 Mitsubishi Verada 3.5 litre 150 kW
10 Toyota Camry Conquest 3 Litre 141 kW
1 Toyota Camry CSX 2.2 Litre 94 kW
1 Toyota CSI 3 Litre 141 kW
1 Toyota Camry Touring 3 Litre 141 kW
1 Toyota Vienta 3 Litre 141 kW
1 Toyota Camry CSX 2.2 Litre 94 kW
1 Toyota CSI 3 Litre 141 kW
1 Toyota Camry Touring 3 Litre 141 kW
1 Toyota Vienta 3 Litre 141 kW

(4) The department has 1 leased vehicle fuelled by LPG.

(5) No.

(6) No.

(7) Holden 11 L/100 - city
Ford 11 - 15 L/100 - city
Mitsubishi 10.5 - 12 L/100 - city
Toyota 10 - 11 L/100 - city

(8) Examples of comparisons of the fuel ratings and actual fuel consumption and mileage are provided for four (4) cars, one from each of the major manufacturers. Toyota Conquest 11 L/100 Km, actual 11.35; Mitsubishi Magna Advance 11 L/100 Km, actual 13.7; Ford Falcon Forte 11.5 L/100, actual 10.32; Holden Acclaim (old model) 12 L/100Km actual 10.42. This information was taken from the latest DASFLEET Annual Energy Report.

(9) According to information provided by DASFLEET, savings would only have been achieved with alternate fuel if the department's cars had each travelled more than 60,000 kilometres per annum. As the average lease term for the department's cars is two (2) years 40,000 kilometres, the cost of an LPG conversion, at $2,500 per car, would not have been recouped. Therefore there would have been no operating savings achieved.

Employment, Workplace Relations and Small Business Portfolio: Fleet Vehicles

(Question No. 3459)

Senator Allison asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 27 February 2001:

(1) How many cars does the department have in its fleet.

(2)(a) How many new cars will be purchased or leased in the 2000-01 financial year; and (b) can details be provided of the make, size and horsepower.

(3)(a) How many new cars were purchased or leased in the 1999-2000 financial year; and (b) can details be provided of the make, size and horsepower.

(4) How many cars in the fleet are fuelled by liquid petroleum gas (LPG), compressed natural gas (CNG) and petrol.

(5) Does the agency use its own LPG or CNG refuelling stations; if so, how many are there of these.

(6) Does the agency have a policy or strategy to reduce the fuel consumption of its car fleet; if so, can details be provided.

(7) What is the fuel efficiency rating of all cars in the fleet.

(8) How does the actual fuel consumption and mileage compare with that rating.

(9) Nationally, what operating savings would have been achieved for the 1999-2000 financial year if all cars in the fleet were run on (a) LPG; and (b) CNG.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator's question:

(1) The Department currently leases 186 vehicles from Dasfleet.

(2)(a) 56

(b)

Make	Size	Kilowatt
Holden Commodore	6 cyl	152
Holden Vectra	4 cyl	104
Ford Falcon	6 cyl	157
Ford Fairmont	6 cyl	157
Mitsubishi Magna Advance	6 cyl	150
Mitsubishi Verada	6 cyl	147
Mitsubishi Pajero	4 cyl	75
Toyota Camry Touring	6 cyl	141
Toyota Camry Conquest	4 cyl	94

(3)(a) 123

(b)

Make	Size	Kilowatt
Holden Commodore	6 cyl	152
Holden Vectra	4 cyl	104
Holden Astra	4 cyl	90
Ford Falcon	6 cyl	157
Toyota Camry Touring	6 cyl	141
Toyota Viente Grande	6 cyl	141
Toyota Tarago GLI	4 cyl	115
Toyota Landcruiser	6 cyl	96
Toyota Camry Conquest	4 cyl	94
Nissan Patrol	4 cyl	116
Mitsubishi Magna Advance	6 cyl	150

(4) LPG -None

CNG – None

Petrol - 186

(5) No

(6) The DEWRSB Agency Agreement 2000-2002 commits the department to improving its environmental efficiency. When ordering vehicles, drivers are encouraged to take relative fuel consumption into account.

(7)

Make	Fuel Efficiency Rating Litres Per 100 Kilometres - City Cycle
Holden Commodore Acclaim Sedan	11.5
Holden Commodore Acclaim Wagon	12
Holden Vectra	8.5
Holden Astra	8
Ford Falcon	13.5
Ford Fairmont Sedan	11.5
Ford Fairmont Wagon	14
Mitsubishi Magna Advance	11
Mitsubishi Verada	11.5
Mitsubishi Pajero	13.5
Toyota Camry Wagon	11.5
Toyota Camry Sedan	11
Toyota Viente Grande	11
Toyota Tarago GLX	11.5
Toyota Landcruiser	Not Issued
Nissan Patrol	Not Issued

(8) Based on information provided by Dasfleet and the Australian Greenhouse Office Fuel Consumption Guide 1999-2000, the department compared favourably.

(9) Dasfleet has advised that savings achieved from the use of LPG instead of fuel would need to be offset against the costs of conversion of vehicles to LPG and consequential increased lease rates.

In addition savings would only be fully realised if vehicles travelled more than 60,000 kms per annum. Most of the vehicles leased by the Department travel on average 25,000 kms per annum.

Veterans' Affairs Portfolio: Fleet Vehicles

(Question No. 3460)

Senator Allison asked the Minister representing the Minister for Veterans' Affairs, upon notice, on 27 February 2001:

(1) How many cars does the department have in its fleet.

(2)(a) How many new cars will be purchased or leased in the 2000-01 financial year; and (b) can details be provided of the make, size and horsepower.

(3)(a) How many new cars were purchased or leased in the 1999-2000 financial year; and (b) can details be provided of the make, size and horsepower.

(4) How many cars in the fleet are fuelled by liquid petroleum gas (LPG), compressed natural gas (CNG) and petrol.

(5) Does the agency use its own LPG or CNG refuelling stations, if so, how many are there of these.

(6) Does the agency have a policy or strategy to reduce the fuel consumption of its car fleet; if so, can details be provided.

(7) What is the fuel efficiency rating of all cars in the fleet.

(8) How does the actual fuel consumption and mileage compare with that rating.

(9) Nationally, what operating savings would have been achieved for the 1999-2000 financial year if all cars in the fleet were run on: (a) LPG; and (b) CNG.

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

(1) The Department of Veterans'Affairs has 143 cars in its leased vehicle fleet.

(2) The Department will lease 66 new cars in the 2000-01 financial year. All vehicles leased are on the Dasfleet Vehicle Database which has selection from vehicle makers Holden, Ford, Mitsubishi and Toyota. Engine sizes range from 1200cc to 5 litres.

(3) The Department leased 73 new cars in the 1999-2000 financial year. All vehicles leased are on the Dasfleet Vehicle Database which has selection from vehicle makers Holden, Ford, Mitsubishi and Toyota. Engine sizes range from 1200cc to 4 litres.

(4) The Department does not use LPG or CNG in its leased vehicles.

(5) Not applicable.

(6) Yes. The strategy is based on the evaluation of fuel consumption at quarterly update meetings with the fleet manager. Fleet vehicle users are informed of the importance of accurate odometer information to support management reporting and to provide a platform for any necessary remedial action.

(7) The fuel efficiency rating of all cars in the fleet is between 8.5 and 14 litres per 100kms city cycle, depending on the make and size of the car.

(8) Actual fuel consumption is within the efficiency rating ranges for the respective make and size of the cars.

(9) The data sought is not available. The Department's fleet manager has indicated that lease rates would increase with the addition of LPG or CNG options. The Department is currently seeking advice from the fleet manager to assist in assessing any potential savings.

Australian Taxation Office: Superannuation Surcharge Assessments

(Question No. 3500)

Senator Sherry asked the Assistant Treasurer, upon notice, on 7 March 2001:

(1) Is it true that taxpayers receive superannuation surcharge assessments upon which is itemised their surcharge liability.

(2) Does the Australian Taxation Office have a separate field in their computing system in which the surcharge assessments are filed; if so, is it possible within this field to make a simple computation to calculate the total surcharge liability of all Australians; if not, are there systems difficulties which prevent this total being arrived at.

(3) What has been the revenue collected from the surcharge liability for all Australians for each financial year since its introduction.

(4) What has been the additional surcharge contributions liability, having regard to the broader definition of income (impact of inclusion of fringe benefit tax items).

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

(1) Surcharge assessments are sent to the holder of the contributions – the fund or the taxpayer. The legislation requires the Commissioner to advise fund members of the amount their fund is required to pay in respect of their surchargeable contributions for the financial year. The advice must set out the surchargeable contributions, the rate at which surcharge is payable and the amount of surcharge assessed for the financial year. Those who are personally liable to pay a surcharge assessment are issued a notice of assessment setting out the same information for the financial year.

(2) The ATO does not have a separate field on their computer system for surcharge assessments. However, the ATO maintains details of assessments issued in each financial year.

(3) The Superannuation Surcharge was introduced in 1996 and the first assessments issued in 1998. Liabilities raised for the:

Year ended 30 June 1998	$347m
Year ended 30 June 1999	$286m
Year ended 30 June 2000	$577m

(4) Until all year ended 30 June 2000 income tax returns have been lodged and surcharge assessments issued, the ATO is unable to provide details of the increase in surcharge liability resulting from the inclusion of reportable fringe benefits. An accurate figure will be available after the next surcharge assessment run.