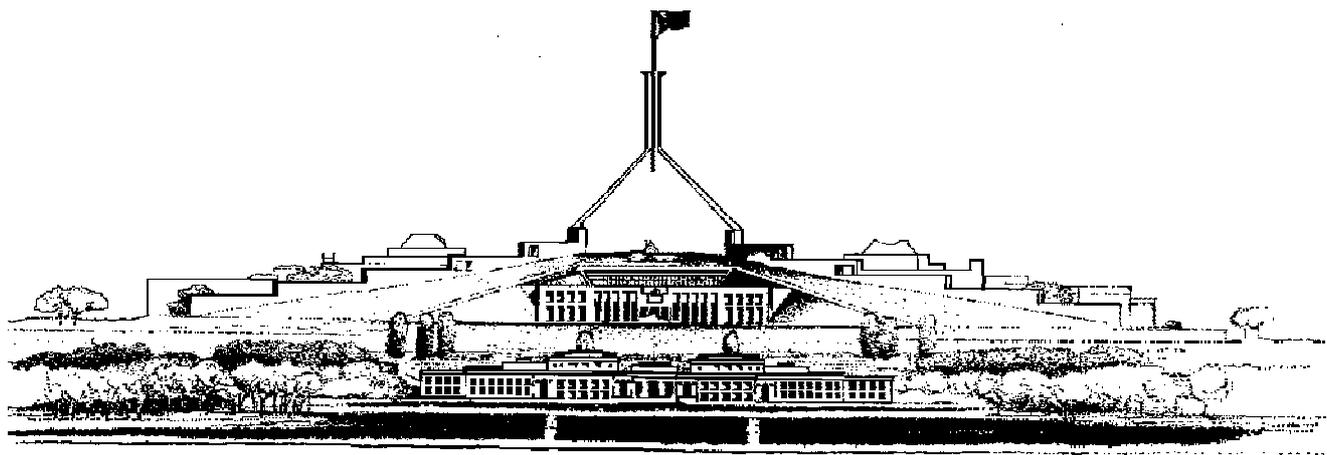




COMMONWEALTH OF AUSTRALIA  
PARLIAMENTARY DEBATES



**SENATE**

**Official Hansard**

**THURSDAY, 28 NOVEMBER 1996**

THIRTY-EIGHTH PARLIAMENT  
FIRST SESSION—SECOND PERIOD

BY AUTHORITY OF THE SENATE  
CANBERRA

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*Thursday, 28 November 1996*

**The PRESIDENT (Senator the Hon. Margaret Reid)** took the chair at 9.30 a.m., and read prayers.

### PETITIONS

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

#### City Link

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

The Petition of the undersigned are concerned that the Federal Government may approve the tax concessions and foreign investment needed for the City Link tollway project without insisting on proper environmental safeguards, compliance with local government and town planning rules and consultation with affected communities.

Your Petitioners ask that the Senate call on the Federal Treasurer to use his powers to scrutinise the project and:

1. Reject any recommendations from the Foreign Investment Review Board that investment in City Link be approved unless the social, economic and environmental question marks over the project are resolved;

2. Insist that the City Link consortium submit a full environment impact statement as should be expected under the Environment Protection (Impact of Proposals) Act before obtaining any tax concessions; and

3. Support the Australian Democrats amendments to the Development Allowance Authority Act to make infrastructure tax concessions conditional on proper environmental, planning and consultative procedures.

by **Senator Allison** (from 12 citizens).

#### Uranium

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

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

Your petitioners ask that the Senate oppose any intentions by the Australian government to support the nuclear industry via any mining, enrichment and sale of uranium.

by **Senator Margetts** (from 138 citizens).

#### Telstra

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

The petition of the undersigned strongly opposes the Government's proposed sale of one third of Telstra and urges the Government to meet its environment responsibilities from other revenue sources.

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

#### Telstra: Privatisation

To the Honourable the President and Senators, and to the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of the undersigned citizens respectfully shows that:

As members of the Australian community, considering:

the strategic important of Telstra in the national economy;

the high levels of foreign ownership in the rest of the telecommunications industry;

the growing importance of communications services to the lives of all Australians;

the threat that privatisation poses to the universal availability of both present and future communications services;

We believe that it is in the national interest for Telstra to be kept in full public ownership.

We therefore call on the Federal Government to abandon its proposal to privatise Telstra, the nation's chief telecommunications provider, and to explore alternative means of funding its environmental policy.

And your petitioners as in duty bound will ever pray.

by **Senator Panizza** (from 19 citizens).

#### Australian Broadcasting Corporation

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

The petition of the undersigned citizens respectfully shows that we, as residents of the State of Victoria, urge the government to:

reject moves to cut the funding of the Australian Broadcasting Corporation and instead maintain funding in real terms.

recognise and maintain the role of the Australian Broadcasting Corporation as a comprehensive, mainstream and independent media organisation, and not just a complementary service to commercial media.

recognise the ABC Charter as a valuable instrument for the expression of Australian cultural life

that should not be devalued as a result of economic and political considerations.

And your petitioners as in duty bound will ever pray.

by **Senator Allison** (from 1,794 citizens).

#### **Australian Broadcasting Corporation**

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

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

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

by **Senator Margetts** (from 60 citizens).

#### **Australian Broadcasting Corporation**

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

Your Petitioners request that the Senate take note as follows:

- (a) We call upon the Australian Government to ensure that Triennial Funding is retained
- (b) That no cuts are made to the operation of the Australian Broadcasting Commission
- (c) Further, we call on the Australian Government to ensure that ABC services remain free of commercial sponsorship and advertising
- (d) That no cuts are made to radio and television services
- (e) That Radio National, Classic FM, Radio JJJ and Regional Radio Services are retained.

by **Senator Margetts** (from 1,487 citizens).

#### **Housing**

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

We the undersigned respectfully submit that Social Housing is a major social safety net, crucial for all Australians.

Your petitioners therefore call upon the Senate to maintain a commitment to the buying and building of new housing properties. The new Commonwealth State Housing Agreement must provide the States with monies to buy and build more Public and Community Housing. Dismantling the safety net of Social Housing will mean home-

lessness, overcrowding and the scrapping of public housing redevelopment plans, all of which will impact on the most disadvantaged groups in the Australian society.

Your petitioners support an increase in assistance to low income earners in the private rental market, but not at the expense of Public and Community Housing.

Your petitioners thus urge the Senate to reject current plans in the area of public and community housing.

by **Senator Panizza** (from nine citizens).

Petitions received.

### **NOTICES OF MOTION**

#### **Child Care**

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

That the Senate—

- (a) notes that thousands of child care workers and parents took to the streets in capital cities around Australia on 28 November 1996 for Black Balloon Day, a national day of protest against the Federal Government's planned changes to child care;
- (b) deplores the Government's attack on families through changes which will raise the cost of child care beyond the limit many can afford; and
- (c) calls on the Government to reverse the proposed changes, which will push up the costs of child care to a degree where it is no longer affordable and accessible to parents.

#### **Savage River Mine**

**Senator WATSON** (Tasmania)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

- (a) congratulates the Premier of Tasmania (Mr Rundle) for securing the continued operation and movement towards downstream processing of the Savage River Mine; and
- (b) notes that the project, which has a life expectancy of at least 15 years, will provide hundreds of jobs and other economic benefits to Tasmania.

#### **Parliament House: Paper Use**

**Senator BROWN** (Tasmania)—I give notice that, on the next day of sitting, I shall move:

That the Senate—

- (a) notes that much of the paper used in Parliament House is Reflex brand paper, and that the wood used in its manufacture includes clear-felled native forest and rainforest species;
- (b) expresses its appreciation to the President of the Senate for making available an alternative with recycled content; and
- (c) urges all senators to use recycled paper as a contribution to the protection of our native forests.

#### Education Funding

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

That the Senate—

- (a) notes:
  - (i) the Government's decision to cap the funding per student provided for the Open Learning Deferred Payment Scheme,
  - (ii) that this creates an additional up-front payment in 1997 of \$93 per subject, beyond the deferred portion of the course cost, which must be paid up-front,
  - (iii) that students were given as little as 3 days' notice of the increased cost before the enrolment deadline,
  - (iv) that a recent Open Learning Agency user survey indicated that more than 50 per cent of students currently deferring their course costs would be unable to maintain their studies if an up-front charge of around \$100 was introduced, and
  - (v) that this fee will deter students from lower socio-economic backgrounds from seeking access to higher education; and
- (b) condemns the Government for this fee which will deter students.

#### Beijing Platform of Action for Women

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

That the Senate calls on the Minister Assisting the Prime Minister for the Status of Women (Senator Newman) to table the Government's response to the Beijing Platform of Action for Women, including the following documents:

- (a) the Australian report due in New York by December 1996;
- (b) a comprehensive statement of the specific action plans to be implemented across

government departments and their progress in the first 12 months;

- (c) the announcement of the National Committee of Non-Government Organisations responsible for monitoring the Government's implementation of the Platform of Action; and
- (d) a detailed analysis of the Australian Government's commitments to the support of South Pacific women, as guaranteed by the previous Government in September 1995.

#### Child Care

**Senator WOODLEY** (Queensland)—I give notice that, at the giving of notices on the next day of sitting, I shall withdraw business of the Senate notice of motion No. 1 standing in my name for today.

#### COMMITTEES

##### Selection of Bills Committee

##### Report

**Senator PANIZZA** (Western Australia)—I present the 16th report of 1996 of the Selection of Bills Committee.

Ordered that the report be printed.

**Senator PANIZZA**—I also seek leave to have the report incorporated in *Hansard*.

Leave granted.

*The report read as follows—*

#### SELECTION OF BILLS COMMITTEE

##### REPORT No. 16 OF 1996

1. The Committee met on 27 November 1996.
2. The Committee resolved—That the International Transfer of Prisoners Bill 1996 *not* be referred to a committee.
3. The Committee *deferred* consideration of the following bills to the next meeting:

Financial Laws Amendment Bill 1996

General Insurance Supervisory Levy Amendment Bill 1996.

(Paul Calvert)

Deputy Chair

#### ORDER OF BUSINESS

##### Government Business

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

That the following government business orders of the day be considered from 12.45 p.m. till not later than 2.00 p.m. this day:

No. 4— Higher Education Funding Amendment Bill (No. 1) 1996 (second reading).

No. 5— Higher Education Legislation Amendment Bill 1996 (second reading).

### Production of Documents

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

That general business notice of motion No. 343 standing in the name of Senator Lees for today, proposing an order for the production of documents by the Minister for the Environment (Senator Hill), be postponed till 4 December 1996.

### General Business

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

That the order of general business for consideration today be as follows:

- (a) consideration of government documents;
- (b) general business notice of motion No. 382 standing in the name of Senator Lundy, relating to employment conditions for the public sector.

### Child Care

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

That general business notice of motion No. 1 standing in the name of Senator Woodley for today, relating to the disallowance of guidelines made under the Child Care Act 1972, be postponed till the next day of sitting.

### Western Australian Commission on Government

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

That general business notice of motion No. 380 standing in the name of Senator Murray for today, relating to the Western Australian system of government, be postponed till Tuesday, 3 December 1996.

### COMMUNITY BROADCASTING ASSOCIATION

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

That the Senate—

- (a) notes that the Community Broadcasting Association of Australia, representing over 120 broadcasters in Australia, is holding its annual conference in Queensland on the weekend of 30 November and 1 December 1996;

- (b) celebrates the diverse nature of the community broadcast sector, including its indigenous, rural, women's, ethnic and religious stations and programs;
- (c) congratulates the Government for a recent modest increase in Commonwealth funding to the community broadcast sector;
- (d) notes, however, the struggle of some university-based stations, such as 5UV in Adelaide and 2NUR in Newcastle, to maintain their university-based funding; and
- (e) calls on the Minister for Communications and the Arts and those universities concerned to discuss ways in which the funding shortfall could be made up.

### FIRE BLIGHT

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

That the Senate—

- (a) notes:
  - (i) the visit to Australia and to Canberra of international fire blight expert Dr Broc Zoller, who has stated that it would be lunacy to risk the entry of the disease given that, after 100 years, the United States of America has been unable to eradicate the disease, and
  - (ii) the warning contained in the media release from the Australian Apple and Pear Growers Association that:
    - (A) the Australian apple and pear industry could face devastation if horticulture's foot and mouth disease, fire blight, is introduced through the importation of New Zealand apples,
    - (B) the climatic conditions of apple and pear growing regions in Australia are similar to those in California, where the introduction of fire blight caused the loss to pear growers of between 98.8 per cent and 100 per cent of their trees, and
    - (C) there is an absence of the fire blight disease in Australia; and
- (b) calls on the Government to ban the importation of apples and pears into Australia from countries where fire blight exists, if scientific evidence establishes that the risk posed would be unmanageable.

### CLIMATE CHANGE

**Senator BROWN** (Tasmania)—I ask that general business notice of motion No. 376, relating to climate change, be taken as formal.

**The PRESIDENT**—Is there any objection to this motion being taken as a formal motion?

**Senator Chris Evans**—Yes.

#### **Suspension of Standing Orders**

**Senator BROWN** (Tasmania) (9.41 a.m.)—Pursuant to contingent notice, I move:

That so much of the standing orders be suspended as would prevent Senator Brown moving forthwith a motion relating to the conduct of the business of the Senate, namely, a motion to give precedence to general business notice of motion No. 376.

I believe this motion is very contemporary and important. One only has to look at the public debate, as reflected in the media of the last week, to see how urgent the matter of greenhouse gases and global warming is to the whole planet. One only has to follow the debate in this place and the remarkable performance of the Minister for the Environment (Senator Hill) as a wet blanket on environmental issues, not least this one, to know how badly performing the Australian government is on this matter. And one only has to read the words of President Clinton in Port Douglas when he was visiting this country last week to see how much the Australian government and, indeed, the Labor opposition, who has just moved to prevent formality on this motion, have to learn about Australia's responsibility in the community of nations if we are going to tackle the enormous ramifications of the warming of the planet due to the release of greenhouse gases.

Let me remind the Labor, Liberal and National parties that nine of the last 10 years around this planet have been the hottest since weather forecasting and weather records began; that the global warming phenomenon is a reality—

**Senator Harradine**—There is snow on Mt Wellington today.

**Senator BROWN**—Senator Harradine and others laugh about snow on Mt Wellington today. There has been snow frequently in the last few weeks. One of the things the scientists point to, which is met with studied ignorance by Senator Harradine and members opposite, is that not only do we get a warm-

ing phenomenon from the greenhouse gas emissions but also enormous fluctuations in the weather in both directions. The economic, social and environmental ramifications of global greenhouse warming should be a priority—

**Senator Hill**—Madam President, I raise a point of order. This is not the time to debate the merits of particular policies in relation to climate change. This debate is about whether there should be suspension in order that that debate take place; in other words, that the need for the debate to take place now is so urgent. This senator, with respect, is not even seeking to make out that case and he should be sat down.

**Senator BROWN**—On the point of order, the Minister for the Environment has cavilled with Labor about this process that is taking place at the moment. I have been explaining why this is urgent. The Minister for the Environment might disagree. But he has quite rightly pointed out that what has to be demonstrated here is that the matter is urgent. That is what I am doing.

**The PRESIDENT**—I would order you to direct your remarks to the matter being urgent. It seems to me that you have been debating the principal issue. The purpose of this five minutes is to allow urgency to be established as to why it should be dealt with at this time.

**Senator BROWN**—I will accept that order from the chair, Madam President, but we must be careful that we do not have a matter of political opinion take over my right to explain to the Senate why this matter is urgent.

I would submit that any school child listening to this debate today knows that the greenhouse gas phenomenon, the global warming, is an urgent matter which is not being tackled by this government. I want to read from the words of President Clinton in Port Douglas. He said:

Finally, we must work to reduce harmful greenhouse gas emissions. They are literally warming our planet. If they continue unabated, the consequences will be nothing short of devastating for the children here in this audience and their children.

What could be more urgent than that? What is more, in Port Douglas he called for 'the

community of nations to agree to legally binding commitments to fight the climate change'. President Clinton thinks it is urgent. People around the world think it is urgent. Other nations think it is urgent. But this government does not and this opposition does not.

We have a world global warming conference coming up in Kyoto in Japan next year. We must urgently prepare to change Australia's governmental representation at that conference from the disasters of the last two conferences.

**Senator Hill**—Madam President, on a point of order: the issue is not whether urgent action should be taken on greenhouse gases. We would all agree that that is the case. The issue is whether urgency is being made out for this debate in this chamber today, and Senator Brown is not seeking to do that. If he is not prepared to comply with the standing orders, he should be stood down.

**Senator BROWN**—On the point of order, Madam President: the minister just said that urgent action needs to be taken on this issue. I submit that that is a direct corroboration of my argument that we should be urgently debating the issue. If urgent action is required, urgent debate is required, Madam President.

**The PRESIDENT**—The question is whether it is urgent in the sense of disrupting the normal program for today for it to be dealt with at this particular point, which is the matter that you should be addressing in this part of the debate.

**Senator BROWN**—The argument that I am delivering here, which seems to upset the Minister for the Environment, is that President Clinton has made this matter urgent. President Clinton was here within the last week. That is what the motion refers to. He raised this matter to the top of the mast, much to the embarrassment of this wet blanket Minister for the Environment, this government and this opposition. It should be an urgent matter for them. They should be encouraging debate on this matter but, instead of that, they want it off the agenda. They do not want it debated and they do not see it as urgent. Well, I

disagree. As I said earlier, every day we fail to tackle this. (*Time expired*)

**Senator MARGETTS** (Western Australia) (9.48 a.m.)—It certainly is an urgent motion. We can see that the government sees it is urgent partly because they are desperately trying to hose down the level of concern within the community. How desperate are they and how urgent do they consider it is to hose down this concern? Just yesterday on the radio, the Minister for Resources and Energy, Senator Parer, indicated that Australia will be losing \$1,900 per man, woman and child in the country if we abide by targets, trying to spread fear and loathing in the country to stop the level of community concern that is urgently growing. This is how urgent the government feels it is necessary to hose down that level of community concern. Yesterday, in a radio interview, the same minister was asked: But shouldn't we be trying to reduce our dependence on fossil fuels?

The minister said:

Oh, yes, and I think you're finding that we are. There's enormous growth, for example, in gas in Australia. Gas has risen quite substantially in recent years and is predicted to rise further.

How urgent can it be when decisions are being made by a minister who does not realise that gas is a fossil fuel? In terms of reducing our dependency on fossil fuels, including petroleum, we have a minister who does not know what the basic issues are.

We have to make urgent changes to policy. We have to make urgent changes to the message that is going out to the community. The message that was being thrown around and hosed around just yesterday—showing how urgent the government realises this argument is—is they are saying the economy and human welfare in Australia will suffer if we start moving towards less dependency on fossil fuels.

Now that means coal. That is what the government is actually pushing. Every single day that we do not have this debate, the government are doing more and more to push not only our production of fossil fuels but also the sale and use of such things as coal in other countries. It was only a few days ago that Senator Parer came in and proudly

announced how much more of our coal we are going to be pushing other countries to use. How urgent can you be? This has been happening as we speak.

**Senator Campbell**—On the same point of order, Madam President: I do not know whether Senator Margetts wants to use this as the time to debate the substance of the motion. She is failing even to do that. Again, she is talking about the degree of urgency in relation to public policy on climate change as opposed to the degree of urgency to disrupt the Senate's program and debate this now. I remind the Senate that the motion that she thinks is urgent states says that we as the Senate 'welcomes the call by the President of the United States'. It is not even a substantive debate on climate change that they are seeking. I believe Senator Margetts is not addressing the matter of urgency, which is the debate before the Senate at the moment.

**Senator MARGETTS**—On the point of order: every sentence I have just given directly talked not only about the urgency but also about the temporal urgency in relation to days. I really think that, if I am ruled against on this area, the nature of an urgency debate has become so narrow as to become ridiculous in this chamber.

**The PRESIDENT**—The debate is as to whether or not the program listed for today ought to be disrupted, and it is a fairly narrow interpretation. Five minutes is allowed for establishing why it is that today's program should be disrupted to debate this particular motion. I would draw your attention to the actual wording of the motion that is before the chamber in that regard.

**Senator MARGETTS**—I can see nothing else on this program today, tomorrow or next week which is going to deal with the urgency. That is why it is necessary for us to debate this and to debate it at a time which links in to the urgency that was given to this very issue by the President of the United States.

I am no great fan of the President of the United States. However, it has been recognised as an urgent issue by the United States and it was recognised just a few days ago that Australia is not pulling its weight. I suggest

that was recognition of the urgency for that to be debated and dealt with.

As I say, if that was not urgent, why was it urgent yesterday for the minister for resources to try to pour water on the debate, to try to say that the world as we know it will end if Australia takes a more responsible attitude? If the government can tell me today when in their program—when today, when tomorrow, when next week—they are going to make time to deal with this issue, to deal with the urgent necessity to look at policy, to look at the urgent necessity to deal with what other countries are recognising as urgent and that we are putting onto the next generation, I would be happy to say there is not an urgent requirement for us to debate it, but I cannot see that and I do not think they can.

I would be happy if they think it is urgent enough, as Senator Hill says, for it to be dealt with properly and for us to deal with the issues, not just some trumped up idea of what a limited idea of costs will be, forgetting what the future costs, the environmental costs and the actual costs are of our not doing anything, and putting our heads in the sand in relation to this very urgent and important issue.

**Senator FAULKNER** (New South Wales—Leader of the Opposition in the Senate) (9.54 a.m.)—The opposition will not be supporting this motion for the suspension of standing orders. I want to put that in context by making absolutely clear to Senator Brown and Senator Margetts why we are going to vote in that way.

The first and fundamental point is this: the Labor Party does consider the greenhouse issue, the climate change issue, to be the most significant international environmental issue. We acknowledge and accept that. Its importance and significance will never be understated by the Australian Labor Party now that we find ourselves in opposition, but nor did we waver from our acknowledgment of its significance when we were in government.

The issue of the motion for the suspension of standing orders really goes to the point of what this Senate determines is its priority business, the business it needs to deal with in terms of its program. There are many opportunities for senators in this place to take on

the issue of climate change. In all those debates, all those discussions, the Australian Labor Party will be vigorously engaged, as we always have been. I believe we have a great record in developing Australia's response to the level of greenhouse gas emissions in this country. I believe we can stand firmly and proudly behind that record.

So do not ever misrepresent our position by suggesting that we do not consider this an issue of absolute international importance and significance. It is the most important international environment issue. It is the biggest challenge we face globally in terms of protection of the environment. The Labor Party does not waver from that commitment.

The issue before us is: should the Senate's program today be up-ended for an open-ended debate on this issue? The judgment we make is that that should not be the case. We have an extraordinary amount of business before us—made more difficult, of course, by the fact that the government has so comprehensively mismanaged its own legislative program and the business before the Senate. I have no doubt the government is absolutely desperate to ensure that this motion for the suspension of standing orders is not passed by the Senate, because of the pressure of business.

I acknowledge that pressure of business but I acknowledge the significance of the debate that the Green senators want to bring forward. I suggest to them that there are plenty of opportunities in the Senate program to allow them to fully develop their arguments in relation to this important environment issue. But we have other priorities in terms of the Senate program at this stage. It is for those reasons, to try to assist this fumbling, bumbling, bungling government to manage its program in the Senate, that the opposition will not be supporting this motion for the suspension of standing orders. (*Time expired*)

**Senator HILL** (South Australia—Leader of the Government in the Senate) (9.59 a.m.)—Madam President—

**Senator Carr**—A gracious speech.

**Senator HILL**—A gracious contribution! I accept the importance of the substantive

debate and it is important that this parliament make a contribution to that. There are opportunities. I must say that I thought I had a useful and constructive debate with Senator Meg Lees in the estimates process on this issue. Senator Kernot raised yesterday the issue of the validity of the ABARE figures. I said that I thought that was a debate that should be had. They should be tested. They are an important part of our negotiating process. If there are senators who do not accept the validity of them, that is a debate that should be had.

As to the debate on our domestic response, I am on the record so many times as saying that Australia must have a strong domestic response to the greenhouse situation. That is despite the fact that I have said—and it is never acknowledged by Senator Brown—that in fact Australia is doing better in its response than most of those nations that criticise us. These debates should be had, but now is not the time for the debate. The time is during general business or on some other occasion and therefore we oppose the suspension.

**Senator KERNOT** (Queensland—Leader of the Australian Democrats) (10.01 a.m.)—I agree that this is a matter of urgency. As other speakers have said, and as Senator Hill has just acknowledged, it is an issue that the Democrats have been pursuing for some time. I think it was courageous and appropriate for President Clinton to make the comments he made as a visitor in our country.

I am also mindful that we have many other avenues at our disposal to debate important matters. I hope that by the time I have finished this sentence I will have submitted to your office, Madam President, a proposal for a one-hour urgency debate this afternoon on this matter. That would be more appropriate than suspending standing orders now.

We need to give some urgent focus to a number of environmental decisions that this government is making. Global warming and the inadequate response is one of those issues that we should look at. That is why I am proposing that, when you hear information in the news this morning that the possible impact of global warming will be to bleach coral on the Great Barrier Reef and the

ramifications of that, it is urgent. We are now moving into an argument about what is the most appropriate way to deal with that today in the Senate. I would rather have a one-hour urgency debate at the appropriate time this afternoon.

**Senator BOB COLLINS** (Northern Territory) (10.03 a.m.)—As one of the reasons for the urgency of debating this issue today Senator Margetts advanced a statement made yesterday by the Minister for Resources and Energy, Senator Parer, where he cited the expanding use of natural gas as an energy source in Australia. By necessary implication, the statement made by Senator Margetts appears to advocate that we should be substantially reducing our use not only of coal for the generation of energy in Australia, but of natural gas as well.

I simply wanted to point out to the Senate that it is the expansion of the natural gas industry in Australia—and I agree with Senator Parer—that in my view will make replacing energy generated currently by coal one of the most substantive contributions to the reduction of greenhouse gases in Australia.

Question put:

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

The Senate divided. [10.08 a.m.]  
(The President—Senator the Hon. Margaret Reid)

Ayes . . . . .	9
Noes . . . . .	60
Majority . . . . .	<u>51</u>

**AYES**

- |             |                   |
|-------------|-------------------|
| Allison, L. | Bourne, V. *      |
| Brown, B.   | Colston, M. A.    |
| Kernot, C.  | Margetts, D.      |
| Murray, A.  | Stott Despoja, N. |
| Woodley, J. |                   |

**NOES**

- |                   |                     |
|-------------------|---------------------|
| Abetz, E.         | Alston, R. K. R.    |
| Bishop, M.        | Bolkus, N.          |
| Boswell, R. L. D. | Brownhill, D. G. C. |
| Calvert, P. H.    | Campbell, I. G.     |
| Carr, K.          | Chapman, H. G. P.   |
| Childs, B. K.     | Collins, J. M. A.   |
| Collins, R. L.    | Conroy, S.          |

- |                     |                    |
|---------------------|--------------------|
| Cook, P. F. S.      | Coonan, H.         |
| Cooney, B.          | Crowley, R. A.     |
| Denman, K. J.       | Ellison, C.        |
| Evans, C. V.        | Faulkner, J. P.    |
| Ferguson, A. B.     | Ferris, J.         |
| Foreman, D. J. *    | Forshaw, M. G.     |
| Gibbs, B.           | Gibson, B. F.      |
| Heffernan, W.       | Herron, J.         |
| Hill, R. M.         | Hogg, J.           |
| Kemp, R.            | Knowles, S. C.     |
| Lundy, K.           | Macdonald, I.      |
| Macdonald, S.       | MacGibbon, D. J.   |
| Mackay, S.          | McGauran, J. J. J. |
| McKiernan, J. P.    | Minchin, N. H.     |
| Murphy, S. M.       | Neal, B. J.        |
| Newman, J. M.       | O'Brien, K. W. K.  |
| O'Chee, W. G.       | Parer, W. R.       |
| Patterson, K. C. L. | Ray, R. F.         |
| Reid, M. E.         | Reynolds, M.       |
| Schacht, C. C.      | Sherry, N.         |
| Tambling, G. E. J.  | Tierney, J.        |
| Troeth, J.          | Vanstone, A. E.    |
| Watson, J. O. W.    | West, S. M.        |

\* denotes teller

Question so resolved in the negative.

**COMMITTEES**

**Uranium Mining and Milling Committee**

**Extension of Time**

**Senator CHAPMAN** (South Australia)—Before asking that general business notice of motion No. 371 standing in my name be taken as formal, I seek leave to amend it by deleting the words '15 May 1996' and substituting the words '31 March 1997'.

**Senator MARGETTS** (Western Australia) (10.14 a.m.)—by leave—It is generally acceptable to the committee that the date be amended to 31 March. It is always understood that, if the work of the committee is not likely to be completed by that time, then it could be in a position to come back to the Senate again. At the beginning of this reference the government clearly said to the public and to the media that the outcome of this inquiry would not make any difference in relation to the decisions they were making on uranium mining.

It is interesting that it is the minister who is asking for the date to be taken back from May to March so that it can be integrated into the decision on uranium mining. The minister

seems to have changed his mind between then and now. I await with great interest the outcome of the inquiry, of which I am a member, and what kinds of decisions the government is going to come up with on future uranium mining.

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

That the time for the presentation of the report of the Select Committee on Uranium Mining and Milling be extended to 31 March 1997.

### BUDGET 1996-97

#### Consideration of Appropriation Bills by Legislation Committees

##### Additional Information

**Senator O'CHEE** (Queensland)—At the request of Senator Crane, I present the transcript of proceedings for 22 October 1996 of the Rural and Regional Affairs and Transport Legislation Committee and additional information received by that committee in response to the 1996-97 budget estimates hearings.

#### CHILD CARE

**Senator FAULKNER** (New South Wales—Leader of the Opposition in the Senate) (10.16 a.m.)—I seek leave to amend business of the Senate notice of motion No. 2 by limiting the disallowance to a number of individual guidelines.

Leave granted.

**Senator FAULKNER**—I thank the Senate. I move the amended motion:

That guidelines 3.1, 3.2, 7.2, 7.3, 8.3, 9, 10 and 11 of the Childcare Assistance (Fee Relief) Guidelines (Variation)(CCA/12A/96/2), made under the Child Care Act 1972, be disallowed.

**The ACTING DEPUTY PRESIDENT (Senator Chapman)**—Order! It is not appropriate for balloons to be brought into the chamber. I ask that they be removed by those senators who brought them in.

**Senator Reynolds**—I seek leave to make a personal explanation.

**The ACTING DEPUTY PRESIDENT**—There is no leave for a personal explanation on this matter. It is a ruling of the Senate previously made that items such as this are

not appropriate for display in the Senate. Would senators please remove them. Would the attendants please remove these balloons.

**Senator FAULKNER**—I open my remarks by thanking Senator Woodley for kindly withdrawing his motion to disallow certain numbered items in the instrument before us. In the course of negotiations with Senator Woodley on this matter it has become clear that the opposition and the Australian Democrats are of one view on these guidelines. I do agree with Senator Woodley that it is sensible to deal with these guidelines just once and to vote on this matter just once. So I thank Senator Woodley for his gesture and for simplifying the business of the Senate. I put on record the fact that this motion to disallow certain of the Childcare Assistance Guidelines is moved—if not technically, then obviously in spirit—by both the opposition and the Australian Democrats.

These guidelines give effect to three of the cuts to child care announced in the first Howard budget. Let me take this opportunity to put these measures in context. Collectively, parents' out-of-pocket child-care fees will go up by half a billion dollars over the next four years. Let me make it clear that every dollar that the Howard government saves in this budget from child care is a dollar that parents will have to pay in cash or in kind. The first Howard budget, the budget that was trumpeted as a family budget and exposed by the opposition as a betrayal budget, makes four different cuts to child care.

Firstly, the operational subsidy for community based long day care is to be abolished. I quote from the Department of Health and Family Services' *Portfolio Budget Statement*, which says it will 'encourage services to become more efficient and cost competitive with the private sector'. But as our dissenting report on the Child Care Legislation Amendment Bill, tabled on Tuesday, states:

This is the 'level playing field' argument of the economic rationalists; the argument put by the report of the National Commission of Audit for the abolition of all operational subsidies for community-based services; and the principle underpinning the work of the Economic Planning Advisory Commission's Child Care Taskforce.

The bottom line is that children are not commodities to be traded for profit, and the dismantling of our social infrastructure which will arise from this proposal is too high a price to pay for 'efficiency' and 'cost competitiveness'.

... ..

The picture of community based long day care post the abolition of operational subsidy which emerges from submissions is an unhappy one. There is no doubt in our minds that fees for child care in these centres will be higher (in the order of \$25 a week per child) as a result of the measure, or that the quality of care provided by these centres will be reduced as a result of this measure, or both.

The opposition is on the record as saying that it will oppose the abolition of the operational subsidies and, when the bill giving effect to this measure is considered by the Senate, we will oppose it.

Secondly, 5,500 community based long day care places and employer sponsored centre based places will now not be built. Again, the argument, as put by the Minister for Family Services (Mrs Moylan) in an undated letter to service providers, is that these places are not needed because 'private centre operators have responded quickly to the demand for new child-care places'. I wonder how many of our parents find that to be true. I wonder how many have found it easy to find a child-care place for their baby or their child with special needs. How many of our parents have not had to put their name down for a place months, or even years, before they actually needed it? How many of our parents can travel directly to work, dropping off the children at a convenient point along the way? The demand for child care has not been met.

John Howard promised to support the creation of additional places to meet the current unmet demand for child care. Instead, we are now a further 5,500 places behind Labor's goal of meeting demand by the year 2001. We have no evidence that the private sector will build these places. In last week's debate on the appropriation bills, the opposition requested that an amount of \$6.7 million to build and operate those places be restored in Appropriation Bill (No. 1) and an amount of \$3.3 million in Appropriation Bill (No. 2) for the 1996-97 financial year. Sadly for the parents and children of Australia, we were

unable to secure majority support in the Senate for this request, even if Senator Alston did not bother to front for a division. These places will now not be built.

Thirdly, for those families that do not qualify for the much trumpeted family tax initiative, their child-care cash rebate has been slashed by one-third. The introduction of the child-care cash rebate by Labor recognised child-care costs as a work related expense. Child-care costs can be a significant disincentive for women thinking about taking up employment. Like other tax concessions for work related expenses, the rebate was not means tested. Now, despite a specific promise not to do so, the Howard government has applied a means test to the child-care cash rebate. Families stand to lose up to \$9.60 per week if they have one child in care or up to—

**Senator Knowles**—Mr Acting Deputy President, I raise a point of order. I draw to the attention of the Senate that Senator Faulkner is debating the child-care rebate issue and not the variation. I'm just a bit—

**Senator Cook**—What's the point of order?

**Senator Knowles**—Relevance, Senator Cook. If you had been here long enough, you—

**Senator Cook**—Would you state that, as you are required to?

**The ACTING DEPUTY PRESIDENT (Senator Chapman)**—Order! Senator Cook!

**Senator Knowles**—What an appalling interjection! I cannot account for Senator Cook's atrociously bad manners. What I am asking for your guidance on, Mr Acting Deputy President, is the fact that we are not debating today the child-care rebate. We are actually debating the variation on the freezing of indexation, the fee ceiling and the annual income cut-offs. I draw your attention to that and seek your guidance.

**Senator FAULKNER**—On the point of order: I did indicate at the outset of my remarks that I intended in this contribution to commence by outlining four areas where there has been a betrayal by the Howard government. I have nearly completed the third area. I intend to go to a fourth. I then intend to continue my contribution on this matter. This

speech, as Senator Knowles knows, is absolutely in order. I had intended to make a comparatively brief contribution to allow this matter to be dealt with comparatively quickly in the spirit of dealing with this issue quickly and allowing the business of the Senate to proceed. I can assure you that that is my intention. Senator Knowles knows that there is no point of order. I ask you to rule accordingly so that I can quickly get on with, hopefully, making a concise and effective contribution on this matter.

**The ACTING DEPUTY PRESIDENT**—Relevance is important in any debate. I will listen carefully to your remarks to ensure that you are in accordance with the standing orders.

**Senator FAULKNER**—I thank you, Mr Acting Deputy President. As I indicated, I am keen to ensure that the business of the Senate is dealt with quickly. This is a complex and very important matter for us. As I indicated, from this measure alone, families stand to lose up to \$9.60 if they have one child in care or up to \$21.10 if they have two or more children in child care.

The fourth issue I want to raise is the set of changes to child-care assistance, which many know as fee relief, announced in the budget. This means that all parents will have higher out-of-pocket expenses for child care. The instrument before us deals with three changes to child-care assistance—a fourth component of the budget and of the package that would cap child-care assistance at 50 hours per child per week but which is still to be tabled. We will deal with that matter when it is tabled.

This instrument freezes the maximum amount of child-care assistance that a family can get at today's maximum amount until 1999. With inflation, child-care fees will increase over the next three years. With the measures announced in the budget, fees are likely to rise over and above inflation. But the amount of help a family can get will be frozen. The maximum amount of child-care assistance has been frozen, but the minimum fee that parents have to pay for their child care is not frozen. The minimum fee will increase annually.

This measure saves—and I use the word 'saves' advisedly because it does not actually save parents anything—some \$85 million over the next four years, increasing the cost of child care for some 330,000 families. This instrument abolishes the \$30 per child income disregard allowed under the child-care assistance income test.

**Senator Crowley**—Shame! It's a disgrace.

**Senator FAULKNER**—It is indeed. It is a complicated measure, done—I might add—in the name of simplification. But the bottom line is that all families with two or more children, at least one of whom is in child care, lose under this measure. It is a savings measure which is targeted specifically at families with two or more children. The savings come from paying less child-care assistance to families with two or more children where at least one of those children is in child care. It is a measure which will take \$77 million out of the pockets of families over the next four years.

This instrument also reduces the child-care assistance income cut-offs for families who have more than one child in care. On the face of it, this is perhaps a measure that one could understand the government reluctantly adopting in a climate of fiscal restraint. But let us be clear: it is not only higher income families who will be affected by this measure. The manner in which the cut-offs are being reduced means that all families with incomes above the point at which child-care assistance starts to be withdrawn will be affected by the measure. Any family with two or more children in child care and with an income over about \$27,000 a year will get less child-care assistance as a result of this measure.

I think we have a recurring theme. This is a measure which penalises families who have more than one child in child care, taking another \$13 million out of their pockets.

Let me remind the Senate of what Mr John Howard said during the election campaign about child-care assistance funding—famous last words. He said, 'A Liberal-National Party government will maintain the system of child-care assistance.' But 330,000 Australian families will pay more for their child care because of his changes. So John Howard's so-

called family budget with its family tax initiative as its centrepiece is unravelling. That is the truth of the matter—it is unravelling. John Howard tried to woo families with his family tax initiative but, as we add up the numbers, we can see that the small benefits of the family tax initiative will give to families with one hand but take away with the other.

This is nowhere more marked than on the issue of child care and in the case of families who depend on child care. The bonus of the family tax initiative will largely, for most families, not offset the increased costs they face as a result of the cuts to child care, and especially the cuts to child-care assistance.

Before I conclude my remarks, I will go to some of the technical issues to do with the consequences of disallowing the guidelines we propose to disallow. There are guidelines in this instrument before us which we have no difficulty with. We do not propose to disallow guidelines 1, 2, 3.3, 4, 5, 6, 7.1, 8.1, 8.2 or 12. These are mostly technical variations which make no difference to how much child-care assistance a family might be entitled to and, at least as far as I can tell, they have nothing to do with implementing the cuts to child care announced in the budget. I would appreciate some indication from the government that the removal by guideline 12 of the provisions dealing with the issue of estimates of income for the purposes of the child-care assistance income test are no longer required and that an alternative method for dealing with estimates of income is in place and working.

We also realise the consequences of disallowing guideline 8.3 which we propose to disallow because of its relationship to the measure to abolish the \$30 million income disregard. This guideline also inserts a new requirement for parents to notify DSS if they change child-care services. This is a sensible requirement since, at least for now, child-care assistance is paid to the service provider, and it is obviously useful to know who to pay. Let me put on record that the opposition would have no difficulty allowing a separate variation to insert this requirement in the guidelines for child-care assistance.

Most importantly, my understanding is that the guidelines in their current form contain automatic indexation provisions which would in effect increase the child-care assistance minimum fee and the maximum amount of child-care assistance payable annually. I am concerned that the maximum amount continue to be indexed. As I have indicated, the opposition opposes its freezing. I would not want to have to come back to the Senate chamber and make scathing remarks about the government because it fails to vary the guidelines to set the new indexed child-care assistance parameters to apply from 1 April 1997. The intention of the Senate in disallowing these guidelines would be clear and the government would be most unwise to contemplate any backdoor method of achieving its freeze on child-care assistance maximum amount.

The cuts to child care alone take out a large part of the family tax initiative increases for families. This is a transfer from families using child care to families where one person is at home caring for children. As far as I am concerned, this is robbing Peter to pay Paul. All families need support. Families should be supported in the choices that they make about how they balance their work and their family commitments. Some families choose for one parent to care for children at home and we believe that they should be supported in that choice. Some families choose for both parents to work and we believe that those families should be supported in that choice.

The submissions to the committee considering the Child Care Legislation Amendment Bill make it very clear that they view the government's cuts to child care as taking a choice away from families. We have before the Senate an opportunity to ameliorate the effect of three of the first Howard government budget cuts to child care. As I have said on previous occasions, the prescription for Australia is steady growth at around 4½ per cent; it is not a savage deficit reduction program. Families using child care should not have to pay the price for this coalition government's ideological obsession with balancing the budget.

I urge the government to reconsider these savage cuts. I urge them, the minor parties

and the Independents in the Senate to support my and—I say in the proper spirit, I think—Senator Woodley's motion to disallow the guidelines that would give effect to them. I commend the amended motion to the Senate.

**Senator WOODLEY** (Queensland) (10.40 a.m.)—As already indicated, I have given notice that I will withdraw my disallowance motion in enthusiastically supporting Senator Faulkner's motion today. I believe that it is important to save the time of the Senate by not debating parallel and similar motions. I am aware of the government's paranoia about its legislative program. But I should add that this paranoia is totally the creation of the government's incompetence and failure to manage the business in an efficient way. If we needed any illustration of that, it was last Thursday when confusion and chaos reigned in this place all day long. I do not think anyone really knew what they were doing. Certainly Senator Alston, for example, was caught out and, fortunately, the Senate was prepared to rescue him. But we are now suffering because of the government's incompetence and, because of that, I am prepared to cooperate to try to help the government recover some semblance of order to get its legislative program carried in this place. So, for that reason, today I make this gesture in cooperating to that extent.

Senator Faulkner and I have agreed that we should disallow only those aspects of these regulations which we believe will severely disadvantage families. Ever since we saw the budget in August, the Democrats have been very concerned about the negative impact many of this government's proposed child-care changes will have on families. These budget measures represent the most radical experiment in social engineering seen in this nation for many decades. Let me underline that this is not simply a budget measure; it is social engineering dressed up as an attempt to do something about a deficit. But you cannot get away with that. If you are going to engage in social engineering, then let us have a proper debate about it. Let us not try, in some sneaky way in this place, to pretend that we are simply rearranging figures on a balance sheet.

This social experiment was not brought in by some policy announcement at the election. It was not supported by any proper debate in the parliament but by rearranging figures on a balance sheet. It is typical of the market fundamentalists in this government that prefer to rip the guts out of child care by rearranging these figures without any proper debate—and that is reprehensible.

In the intervening period since the budget, we have received literally thousands of letters from parents and child-care providers who have echoed our concerns. Many families are really worried about the impact of these proposed changes on their families; they are worried about the impact on the quality of child-care services which will be available to them.

Despite what this government says to the contrary, there is little doubt in my mind that many of the changes proposed by the government in the budget—for example, the abolition of operational subsidies to community based child-care centres; the 50-hour cap on child-care assistance per child per week; the abolition of additional income allowed for additional dependent children; and the two-year freeze on child-care assistance and the child-care cash rebate—will have a significant impact on the cost and accessibility of child care for many families—and by 'many', I mean thousands.

The Democrats believe in putting families first, but doing that in a practical way, not simply by means of rhetoric which has no content. To us, that means that all parents must have a real choice on how to combine their work and family responsibilities and it means ensuring that all families have a real choice when it comes to choosing the type of child care they want to use. It is no use talking about choice when what we really mean is choice for some families, for those families preferred by the coalition in their definition of what a family is. We are talking about choice for all families in this nation. They all deserve support and they all deserve to be treated equally—at least as far as that is possible.

Since the budget, the Democrats have consistently stated that we will be opposing

the following changes to child care: the abolition of operational subsidies for community based long day care centres; the 50-hour cap on child-care assistance; the payment of child-care assistance directly to parents through the proposed one-stop shop; the two-year freeze from indexation on child-care assistance and the child-care cash rebate; and the removal of additional income allowed for additional dependent children when assessing eligibility for child-care assistance.

What we are doing today is just the first step in fulfilling the commitment we have made to families. And, let me assure you, the Democrats will be standing firm on this commitment by opposing every single one of these changes. The importance of maintaining a strong government role in the provision of child care was perhaps best summed up by one of the witnesses at the hearing of the community affairs legislative committee a couple of weeks ago, who told the story of a young child who tragically drowned while in unregulated care:

One woman was caring for 10 children and she left the two year old in a bath. That was the kind of child care system we had prior to Government funding coming in and ensuring that we had a sound quality base of regulated and properly supervised care.

The Democrats are committed to protecting our children from any kind of return to the bad old days of unregulated and all too often unsatisfactory child care. We believe that this disallowance motion is the first crucial step in ensuring that families are protected from being forced to follow this road. I urge all members of the Senate to put families first and vote in favour of this disallowance motion before the Senate today.

**Senator CHRIS EVANS** (Western Australia) (10.47 a.m.)—I wish to support this disallowance motion and, in doing so, support the remarks of Senator Faulkner and Senator Woodley. I always feel much more Christian when I rise on the same issue as Senator Woodley. He always brings a very Christian perspective to his arguments.

This is a very important debate because it is the first chance we have had to debate the government's budget attacks on child care.

While Senator Knowles took a point of order earlier about relevance, I think it is the case in this debate that we have to look at the context of the budget changes to child care. This disallowance motion is the first chance to address three of our major concerns with the budget attack on child care, and we will obviously deal with the legislation later on in this session.

What has to be seen is the context of the debate, in which the budget reduced child-care funding by \$147 million in the first year. Every dollar of that, bar the \$28 million that would have gone to the new growth strategy under the former Labor government, is coming out of families' pockets. Families will have to pay that extra \$120 million or so in fees—money that they would otherwise not have had to pay. So it is a direct attack on families. It directly reduces their income by increasing the payments they will have to make on child care in the coming years. This attack on the families of Australia is made, I might add, in the face of election promises by the coalition parties to maintain child-care assistance.

There is no mandate for these changes. The coalition did not go to the election campaigning on these cut-backs in child care. They cannot claim any mandate for this. They reassured families in Australia that their child care would be safe and that the current system of assistance would be maintained. They cannot say, 'You cannot disallow these regulations because we have a mandate from the Australia public,' because it is a nonsense. They hid these changes from the Australian public. They were not prepared to debate them. Since these changes have been announced, Australian families have been signing petitions, campaigning, holding public rallies and protesting against the cutbacks. There is no support in the community and there is no mandate for the changes. That is a very important contextual point that has to be made.

The second point that I want to stress is that these changes hit families using private and community based centres in the same way. This is not part of the privatisation agenda of the government. The changes we

are seeking to disallow today attack families who have their children in private and community based centres. There is no distinction in terms of where people have their children placed. It is an attack on all families who seek to put their children into child care to allow members of the family to earn an income. So this is not part of that other debate we will have later about the support for community based centres. The attack on community based centres is reprehensible and puts child care back 20 years in this country, but that is not part of this debate. Any family which is in receipt of assistance is potentially impacted by this decision—whether their children are in private or community based centres.

The third contextual point I make is the one that I think Senator Woodley put very eloquently. These changes seek to reduce the choice for families and the choice for women in particular because it is generally women who will be affected by changes in child-care assistance, changes that reduce women's ability to put children into child care so that they can go out and seek full-time or part-time work, education or other opportunities. This is an attack on women, an attack on families, and it reduces the choices available to women.

Senator Woodley's point about social engineering is a good one. If you are in favour of choice, then you should support people making those choices according to their own desires and needs and not seek to determine how they should make those choices. If women or Australian families want to have both partners working or one partner working and require child care, then we ought to support them in that choice. These changes attack that choice and make it harder for them to access and to afford child care.

I have been overwhelmed by constituents speaking at rallies, approaching me personally and writing to me. They feel attacked as individuals by these measures. Women feel that they might have to give up studying at university next year, that they might have to make the decision to leave the work force and that they may not be able to re-enter the work force as they would wish because of these

changes. These are only part of the changes, but the overall attack in the budget on child care means that individual families and individual women in particular are being denied the option of making the choices that they would like to make. They are being denied the opportunity to take up education and to take up work because of the imposts contained in these budget measures.

I think this reflects the coalition's rather conservative view of the world. You only need to listen to Senator McGauran or other coalition senators speak in some of the previous child-care debates in this chamber to know their real attitude to child care. I think they feel very threatened by women entering the work force and having these opportunities open to them. It is interesting that, whenever the Liberal Party want to run a very conservative agenda, they always frame it in terms of providing more choice for people. But, in fact, they are removing choice. This is a very clear example of that.

The fourth contextual point I want to make is that the Liberal Party have tried to portray some of these changes as targeting assistance to low income earners and attacking welfare for upper middle class families. But this is not about the big end of town. These changes do not impact on those on the lowest incomes, but they are very much aimed at families in Australia who do not consider themselves wealthy but whose combined incomes take them into the area of the thresholds we are discussing today. They are not the rich of our society; they are not people who are wealthy, well-to-do and not in need of assistance. They are people struggling to bring up families in difficult economic circumstances where they have made a decision often that two of them are required to work to bring up their family in the way they want to or because the two of them want the opportunity to contribute to our community and society generally. They have made those choices.

By implementing these changes and by not giving those choices to people, and women in particular, we are reducing their ability to contribute, we are reducing the skills and talents available in the Australian work force and we are reducing ourselves as a society.

This is not about the big end of town. This is about ordinary Australian families trying to raise their children in Australian society.

The three measures that are directly affected by this disallowance motion have been covered in some detail by Senator Faulkner. I will not go into great detail, but I will briefly discuss each of the three measures. The first measure seeks to disallow the government's attempt to abolish the additional income disregard allowed for dependent children when assessing child-care assistance eligibility. Effectively, the government seeks to remove the \$30 disregard from the family income that is assessable.

It is important to note in this debate that that \$30 disregard was originally established in recognition of the other costs associated with the care of children. The government is now saying, 'We no longer wish to recognise those other costs associated with the care of children. We will remove that disregard and thereby increase the level at which income is assessed.' This will mean parents will receive less subsidy and therefore will have to pay more, or a greater share, of the total fee. In some ways it will be a hidden impost because child-care fees will not rise, but as a result of this initiative parents will end up paying more for child care if we are not successful today in disallowing these regulations.

The government takes \$21 million out of parents' pockets by these measures. Families will be \$21 million worse off as a result of this measure. The government in its budget papers stresses that 75 per cent to 80 per cent of families will not be affected. The fact is that 20 per cent to 25 per cent will be affected. It is a disgrace because, if you read the budget documents, you will see that the government tries to hide the impact of these changes. Its own figures suggest that 20 per cent to 25 per cent of families will be affected by this particular regulation and will have to pay more.

The second aspect of the regulations relates to the government's move to reduce child-care assistance income cut-offs for second and subsequent children. It increases the income levels at which people with two or more children can receive child-care assistance.

Again, something like 30,000 families will have their assistance reduced. But it is the second aspect of these changes that is very interesting. It is in effect an attack on larger families. People with two or more children are directly affected by the first two measures and will have to pay more—they are penalised by these measures.

For a party, a coalition, that claim to be pro-family, I find this an amazing policy to be adopting. It is a direct attack on larger families. This measure takes \$4 million out of their pockets and makes them pay an extra \$4 million in fees. This will be largely paid by families with two or more children. I am not sure what the government hope to achieve by attacking these people—the people they allegedly wanted to try to protect with the family tax initiative, et cetera. What they give with one hand they take away with the other.

The third aspect is the most mean spirited, penny-pinching measure I have seen: to freeze the child-care assistance ceiling for the next two years. Senator Faulkner discussed this measure in some detail.

**Senator Woodley**—A slow strangulation.

**Senator CHRIS EVANS**—It is a slow strangulation, Senator Woodley. It is straight grab of money out of the pockets of families. It is a tax raising measure. They say that there will be no new taxes, but by this method they increase the tax take by reducing the assistance paid to families. It is nothing more than a blatant revenue raising measure. It is an attack on families. Families will have to contribute \$17.5 million extra next year and up to \$33 million in 1999 as a result of these measures.

It is very important that we reject these measures because, firstly, it is a straight take on families. It will require families to pay more for child care in order for the government to fund its other measures. The second important point about this debate is that there is no mandate for these changes. The government never campaigned on these measures. They hid these initiatives from the public. They introduced them to try to reduce outlays on child care because of their ideological view about child care. This is an attempt to basically destroy child care in this country.

The third point about these measures is that, despite their rhetoric, they are anti-family. They are anti-choice, anti-women and anti-family. They are particularly anti-larger families. For all their rhetoric, these measures attack families and attack families with two or more children to a greater extent. It is very important that we reject these changes, support the disallowance motion and take the first step in protecting families from the attacks on child care in the budget.

**Senator REYNOLDS** (Queensland) (11.01 a.m.)—In speaking in support of the disallowance motion, I want to very briefly explain why a number of senators on this side of the parliament brought black balloons into the chamber at the beginning of this debate. I know that the Acting Deputy President had to determine whether he considered this action to be disorderly. He ruled that the black balloons had to be removed.

I understand that it did place the Acting Deputy President in a dilemma. I think it is important to explain why the black balloons were brought into chamber by opposition senators. Firstly, I am sure government senators would be aware that today is a national day of action protesting against the government's attack on child care, families and women. Black balloons will be carried by thousands of parents and children to highlight the death of Australian quality child care resulting from the measures that have been introduced by the government. This disallowance motion goes some way towards trying to halt the very serious undermining of quality child care in this country.

Bringing the balloons into the chamber was part of this national day of action. It was not the idea of opposition senators. There have been precedents for making points very strongly in this chamber. While accepting that we have to take care to act with decorum, I think honourable senators on this side of the chamber did act with decorum. They simply brought the black balloons in as a gesture.

Flags were placed on government senators' desks because there was an important debate and they felt strongly about the flag. That was permitted. We have had sheepskins draped over the back of the seats in support of the

Australian wool industry. I think that, as part of the national day of action, it is quite appropriate for opposition senators to highlight the concerns of parents about the future of child care in this country. With the greatest respect to the wool industry and our national flag, I personally feel that children are our greatest natural resource. I think opposition senators' gesture was entirely appropriate. If we get to the stage where we can never indicate our concern with badges or scarves, such as those that the Dalai Lama gave Democrat senators to wear, then this place will become a place that is not responding to the real world and the concerns of the community.

This issue is of extreme concern to many thousands of Australian families. As previous speakers have indicated so eloquently, this is anti-family and anti-women. The government does not have a mandate for this. The coalition—and I happen to have with me the promises of the coalition in the lead up to the last election—said: 'The coalition will maintain the non-means tested child-care cash rebate.' What happened in the budget? The budget reduced the level of the child-care cash rebate for families with incomes above the family tax initiative threshold from 30 per cent to 20 per cent of actual child-care costs less a minimum fee up to a maximum amount.

A second promise of the coalition was: 'The coalition will maintain the system of child-care assistance.' Yet the budget caps access to child-care assistance at 50 hours per week per child. It freezes child assistance and child-care cash rebate fee ceilings for two years at \$115 a week for one child in care and \$230 a week for two or more children. As Senator Evans has indicated, this is an attack on larger families. It allows the minimum fee to continue to increase. It abolishes the additional income allowed for extra dependent children when assessing eligibility.

Finally, the promise of the coalition was: 'The coalition has no plans to change the operational subsidy to the community based long day care sector.' It had no plans to do that in March, yet the budget abolishes oper-

ational subsidies for community based long day care.

As previous speakers have indicated, this is an attack on children, women and families. It pays absolutely no lip-service whatsoever to our obligations under ILO 156—workers with family responsibilities. Child care is not a luxury. Child care is a basic work related expense for many, many families. I am sure that the coalition has no plans to abolish work related expenses for business. I am sure they have no plans to abolish work related expenses for small business. But they are prepared to attack Australian families and remove the benefit that was effectively paid as a work related expense.

I know there has been a lot of talk since the budget about budgetary bottom lines and about the coalition, more in sorrow than by design, having to take these tough decisions. We have heard a number of government senators and spokespeople say that they have taken certain unpopular measures against the interests of Australian families only because of their budgetary commitment. But their budgetary commitment is discriminatory. They said that there had to be an across the board reduction in government expenditure. But overwhelmingly the budgetary decisions to make cutbacks have impacted on families and on community services that families most benefit from.

For example, we heard in the debate about a \$147 million reduction in child care. I know that government spokespeople would get up and say, 'Where is the \$147 million going to come from?' I will tell you, Senator Alston. Why could that \$147 million not come from the defence budget? Defence was not touched in the budget. For all the talk about the need for budgetary cutbacks, the budget was discriminatory. The defence budget was untouched, and family budgets are going to suffer as a result.

Finally, just as an indication of the extent of concern in the community, I would seek to have incorporated in *Hansard* an advertisement that was placed in my local newspaper in Townsville. I have no doubt that similar

advertisements have been placed in newspapers around Australia.

Leave granted.

*The advertisement read as follows—*

#### **CHILDCARE**

Dramatic Increases in Your Fees from April 97 due to the 96/97 Budget

1. Fees will increase up to 100%
2. Low income families face the biggest increase
3. This affects private and Government centres
4. These changes are now before the Senate for approval

YOU as parents need to act NOW!

Ask your childcare centre what your new fees will be and WHY?

Your child has the right to access a '**Quality Government accredited Childcare Centre**'

We as Private Childcare Centres can only advise you of what is in store for you. The Government has been very quiet and for good reason, they want to cut childcare costs at your expense. parents please let your displeasure be heard, YOU are your children's voices, WRITE and FAX immediately (YOU HAVE NO TIME TO WASTE) to your Federal members

Hon Judy Moylan  
Minister Family Services (Childcare)  
Parliament House, Canberra 2601  
Fax (06) 273 4152  
Peter Lindsay  
P.O. Box 226  
Tvs 4810  
Fax 077 21 2247

That advertisement is an indication of the extreme concern out there in the community. I believe that, while the government has no mandate to do what it is doing, this Senate has both a mandate and an obligation to protect the children of Australia.

**Senator LUNDY** (Australian Capital Territory) (11.12 a.m.)—I also rise to support the disallowance motion with respect to the three aspects contained in this area of regulation. I think that this government need to consider what messages they are sending to young women and families who are in a position now of making their choices about their future employment and their future family plans. Young women and young families look forward to their lives in a

working capacity and in a private capacity on the basis that they do have real choice. These types of regulations and everything that is occurring with respect to the budget changes to child care really fly in the face of providing real choice to women and to families. They do it in a way that is both overt and subliminal. It is devaluing the role of women in the work force and saying to women that this government thinks they are better placed in the home to take care of their children. That is the subliminal message that is being sent.

The restriction of real choice is being embodied not only in the provisions we are looking at today but in all the other changes that are taking place to the provision of child care under this particular swag of budget arrangements. The costs to families have already been articulated very well by my colleagues. Over the next four years, these three measures alone—additional income abolishing the \$30 disregard, the reduction in the child-care system income cut-offs for second and subsequent children, and the freeze for the child-care assistance—are going to take \$175 million out of families' pockets.

The point has already been made that, if you are going to have two or more children, it will cost you even more. I cannot see any way of describing this particular set of mechanisms other than as 'a large family tax'. This government talks about expenditure reduction and says that they do not want to raise taxes. But what is the difference between cutting revenue out and making families pay, and putting up a tax?

I do not believe that this government can be taken at face value when we hear them talking about caring and choice for families. It is not true. There is nothing that has been put in these child-care provisions that can be compensated for through any family tax initiative or anything else that they have done for families.

The whole direction of public debate has now shifted because of this government's position. It has moved away from, 'What can we do to improve child care and what can we do to improve quality?' as Labor said. The public debate now is: 'What can we do to

defend what we have worked so hard to get?' That is what these child-care rallies are about. The parents and the workers in the child-care centres are all saying to me: 'Now we're having to defend where we've come to.' We have come to where we are under Labor. It was a successful system with enough flexibility to cater for families with a whole variety of needs, large or small, involving both part-time working parents and full-time working parents. The system evolved out of the needs of families and parents.

This government is removing that flexibility, and families and parents are rebelling against that. They do not like it. They are expressing their point of view through petitions, through rallies and through campaigns such as the day of action today. I appeal to this government on behalf of young women and young families who are contemplating their futures, who are contemplating what period of time they believe they will work and how they are going to balance that with the raising of their small children. Think of the message you are sending to those families—you are sending the wrong message—that they do not have the right to get out in the work force.

This government must consider that when they put forward proposals such as this. The social message and the social debate is undermining the role of women in the work force. It is disadvantaging families. There is no argument about that, in my view. It is clear. As I said, these particular provisions for which we are arguing disallowance knock a cool \$175 million out of the pockets of families over the next three years, with \$43 million of that over the next year alone. That is not fair. It is not being compensated in any way. These provisions need to be opposed.

**Senator MACKAY** (Tasmania) (11.17 a.m.)—I also rise to support the motion for disallowance that is before the Senate. Like Senator Reynolds, I support very strongly the national day of action with regard to child care that is taking place today. I also support the gesture that Labor senators initiated today with the bringing in of black balloons. That served to highlight, as far as we are concerned, the importance of this issue and the

way that it is likely to affect Australian families, Tasmanian families in particular, and also women. We are wearing black ribbons for the duration of this debate to highlight that issue as well.

I want to talk briefly, similar to Senator Evans, in a contextual way about the implications for a number of these initiatives in my home state of Tasmania. I will talk about the disallowance provisions later on. One initiative in particular is the proposed abolition of the operational subsidy which is coming up in prospective legislation.

I will just put it in context for the Senate. The situation in Tasmania is proportionally the reverse of the national situation. Nationally, 30 per cent of child-care centres are provided by the community based sector and 70 per cent are provided by the private sector; in Tasmania, 70 per cent of child-care centres are community based centres and 30 per cent are private centres.

There is a very good reason for this. The reality is that we are not a well-off regional economy, which means that the slack that cannot be picked up by the private sector has to be picked up by the community sector. Recently, we heard evidence that, if this initiative is to proceed, approximately half of those centres will close. This will mean that Tasmanians will be the most disadvantaged with regard to a number of these initiatives, and this one in particular, compared to the rest of Australia.

What it will mean is that child-care centres that are currently located in regional areas, low income areas and rural and isolated areas will close. The reason they will close is that the operational subsidy will not be there. We have a situation whereby the government has announced this abolition of the operational subsidy and the community based child-care centres have been given seven months to reorganise their financial regimen to take account of it. It is sad that centres are desperately attempting fundraising efforts, such as sausage sizzles, raffles and so on, to ensure that they meet this financial regimen that has been imposed by the government.

This is the government's response to this: 'Don't worry, we'll give you some financial

advice on how to reorganise yourselves so that you can cope with this cut.' What do they do? They provide \$8 million for financial advice. So these community based centres can have the option of going to, presumably, private financial advisers and saying, 'How do we cope with the fact that we won't have any money; how do we cope with the fact that we are going to have to close; how do we cope with the fact that parents will have no capacity to send their children to centres in regional areas?' What a joke! There is not even a phase-in period.

We have already had an announcement that a child-care centre in Bridgewater-Gagebrook will be closing in Tasmania. For the benefit of people from other states, Bridgewater-Gagebrook is one of the most disadvantaged areas in Tasmania. It is one of the most disadvantaged with regard to income and all the social indicators that exist. That child-care centre will be closing.

**Senator Calvert**—And over-award payments?

**Senator MACKAY**—I am glad that you are taking an interest in this debate, Senator Calvert. I wish that Senator Calvert would be as vociferous in his home state as he is up here in relation to this issue, because we have not heard a peep out of Liberal senators—not a word. Now I go on.

Tasmania is the most disadvantaged state in this regard; there is no doubt about that. We have already heard that this child-care centre will be closing. We have already heard from the private sector—who, incidentally, provide excellent care; this is no reflection on the care that they provide—that they simply will not be able to afford to go into non-profitable areas. Why should they? They are private centres; they are there in order to make a profit. That is fair enough. They provide an excellent standard of care, but they will not be able to go into areas where it is not profitable. That is why you have community based child-care centres. That is why you have the operational child-care subsidy. That is why you have the management committees run by parents—people who actually know the needs of their children. So this will have a devastating effect in relation to Tasmania.

Let us look at why this is happening. I think Senator Woodley was quite apt when he mentioned the issue of social engineering. There is no doubt there is an aspect of social engineering with regard to this. We have only to look at some of the pronouncements of the faction of the Liberal Party called the Lyons Forum to see precisely what we can expect. We have only to look at the totality of this budget, and the type of society that this budget will create, to see that. The reality is that this will mean no choice. This has been very widely canvassed. It will not mean a real choice for women. The choice that it will give women is that they simply go to work and have to pay much more for child care or they stay at home. I would venture to suggest that part of the agenda is to try to convince women, by fiscal starvation, that it is better to stay at home than to go out to work. Where is the choice in that? That is the first aspect.

The second aspect is that, obviously, if women do stay at home and they do not avail themselves of the opportunities to go out to work, what happens to unemployment figures? First of all, participation rates come down because women stay at home, they drop out of the field in relation to participation rates and unemployment figures. So excuse me for my cynicism, but I think there is a bit of an agenda here.

It is also, as has been well canvassed, very anti-family. It will mean, particularly in a state like Tasmania, my own state, where you have a high proportion of low income people, where both partners have been required, in order to survive, to go out and work, that if adequate child care is not provided, the family income will be reduced by one income. That will exacerbate the kind of poverty traps that we will increasingly see with regard to this budget.

Yet again, a budgetary initiative is more adversely affecting regional Australia than anywhere else. I suspect it is exactly the same in areas in Western Australia, South Australia, outback New South Wales, Queensland, the Northern Territory and so on. The thing about Tasmania is that it is a regional microcosm with regard to the economy. Of course, we

can see quite starkly in Tasmania the type of effect these initiatives will have.

Just to wind up, I say to the Senate: please support this disallowance motion. I indicate that we will be moving a range of amendments, including with regard to the operational subsidy, to ensure that this government is kept to the commitments it made, to ensure that this government is not regarded as anti-family as it seems, and to make sure that the sort of bashing of the battlers and bashing of families that we have seen ceases. The reason we are doing it is not because we are fiscally irresponsible, as has been canvassed by the Treasurer (Mr Costello) recently; it is because we care about people. It is because this party is about people. It is because this party cares about regional Australia.

*Senator Knowles interjecting—*

**Senator MACKAY**—You may laugh, Senator Knowles, we are very interested—

**Senator Knowles**—You put a million people out of work.

**Senator MACKAY**—Senator Knowles ought to go to Tasmania. It is very interesting to note the absence yet again of Senator Newman in relation to this debate.

**Senator Conroy**—She has sympathy.

**Senator MACKAY**—I am sure many of her Tasmanian constituents would be pleased to hear of her sympathy but her presence here would have been much more useful. I conclude by saying that my state of Tasmania will be more affected in relation to these measures than any other state. Regional Australia will be more affected. What we have got here is a bashing of the battlers. It is anti-family, it is anti-women and it is anti-choice.

**Senator O'BRIEN** (Tasmania) (11.27 a.m.)—I want to congratulate Senator Mackay and others who have spoken in this debate. I refer particularly to the comments made by Senator Mackay about Tasmania, the state which I represent, and to say there is no doubt that the comments I will make in relation to the effect on families need to be magnified when you consider the impact of this measure and the other related measures

that the government has announced and is implementing through its budget legislation.

It has already been established that this measure will affect 20 to 25 per cent of families. It is not an insignificant proportion of families. I think the government may have tried to minimise the appearance of its effect, but the reality is that 25 per cent of families being affected is a very significant effect. And who are they affecting? Which families? They are the families with young children. Families with young children are undergoing the hardest financial period of their family lives. There is no doubt about that. I do not think you need surveys, I do not think you need to do any in-depth research to know that. Anyone who has raised children will know that it is a difficult period when families are establishing themselves and their young children are growing up, even before school age.

Why are we seeing this attack on these families? They are the easy targets, aren't they? They have no choices, or very few choices, in relation to this matter. They are not the high income tax avoiders who the government has not done much about. They do not have access to the means of minimising tax that many of the wealthier families have. Most of these families do not have family trusts, they do not benefit from negative gearing arrangements and they do not benefit from the imputation of company tax on dividends. They are the losers in relation to taxation arrangements. This measure is another method of raising income from the easy targets.

These families are really the battling element of families and are the ones who battle the most. I had to laugh when I heard Minister Costello's comments and the tax threat he made over the social security amendments announced in the paper this morning. Effectively, through this and other measures, he is taxing 25 per cent of Australian families more—a taxation by stealth. He will not go on the front page of the newspapers saying that he is going to tax these families, but that is what he is doing. By withdrawing the assistance that they receive he can tax in a number of ways and this is effectively a tax measure.

This is a regressive measure hitting families with young children. What is the reality for most working families with more than two children and with young children? The reality is that both parents work because they need to in order to establish themselves and meet the needs of their families. With the growing cost of child care they will be faced with a number of choices. These measures will cause the cost of child care to rise.

These families can choose to drop other expenditure. What will they look at? Maybe they will look at their health insurance or just not consider it in the first place. Young families with young children will make choices which may see a further reduction in the participation in health insurance. That is a bit of an own goal for the government. Perhaps Senator Mackay is right when she says there is another agenda and that they are not concerned about other effects because the main game is really to do with persuading women to get out of the work force.

Maybe these families will drop off family savings—if they can afford to save anything—to meet these additional costs. That will be sacrificed and we will see a further reduction in saving by this sector of the community which will affect national savings. Probably more importantly they will have to reduce expenditure on things like clothes, shoes or Christmas presents for the children. This is a mean spirited measure and it should be seen as such. I appeal to all senators, especially Senator Harradine and Senator Colston, to look closely at this measure and see it for what it is—a tax on working families, families who are defenceless and who will suffer the most by these mean spirited measures.

**Senator JACINTA COLLINS** (Victoria) (11.33 a.m.)—It will not surprise people that I also rise to speak in support of this disallowance motion. In particular I want to focus on the fact that, out of the several measures to restrict access to child care, it singles out the new means test that will be applied to child care assistance. In reflecting on this and reflecting on today as the day of action on child care, I was reminded that it is roughly a year since my own son ended up in

this chamber during a division. I wondered today when the balloons were ruled disorderly what might have happened if at age 15 months he had ended up in the chamber. We were relieved of that question because today he is back in Melbourne.

**Senator Hogg**—In child care.

**Senator JACINTA COLLINS**—Yes, in child care today. In my case—and personally I am not too concerned about it—this is not actually with child care assistance. The people I am concerned about with respect to child care assistance are the families who will be affected by this measure. This measure singles out families with a higher number of children. We would all be aware that there is a variance of views right across the political spectrum about the means testing of forms of government assistance. What I was not aware of until this measure was announced was that there was a variance with respect to how means tests are designed. They take into account the number of people reliant upon a family income and in particular the number of children that that family income deals with. That is what this measure is changing. That is what the government in its ignorance—and in the ignorance of some of the members of that government—is doing with these changes.

Let me put on the record an example I have before me which highlights precisely how this will work. The example is a family with three children, with one in child care and an income of \$650 a week. The family income at which the non-renting family with one child receives only the minimum family payment is \$522 a week. Under the old arrangements, the first \$492—that is, taking \$30 off the \$522 of their income—does not affect the amount of child care assistance this family receives and neither does \$90 of the remaining \$158. Therefore, only \$68 of their income counts towards reducing their child care assistance.

Under the new arrangement, the first \$522 of their income will not affect the amount of child care assistance they receive, but all of the rest of their remaining income of \$128—not taking into account the number of children dealt with under that family income—counts to reduce their child care assistance.

For families with two or more children, under the current arrangements, in this particular case only \$68 of their income counts to reduce their child care assistance. Under the new arrangements \$128 counts to reduce their child care assistance. That is what this measure will do. It will affect the battling families out there, many of whom were hoodwinked by the government in the last election.

**Senator CROWLEY** (South Australia) (11.37 a.m.)—I have a few points I would like to make during this disallowance debate. It will be quite clear—and I make it on the record—that I strongly support the disallowance.

It is interesting to note the emptiness of the benches opposite. This government has made much of having so many successfully elected women from the Liberal Party come into this place—not so many in the Senate, I will allow—and seeing advantages for women developed and proceeded with. Where are those women in this debate? Of course, they are embarrassed to be here. No Liberal woman wants to stand up and say to the families of Australia, the families in their electorates, the families in their states, 'We have just introduced policies that are going to make you pay more for child care.' And it is not the top end of town. People whose income is around \$27,000 and above are going to have to pay more for child care. That is what these regulations are about. Families are going to be hurting as a result of the steps taken by this government.

Where are the women in the government campaigning against it? Why is it that the National Party and its members can go down and knock on Mr Howard's door and see the diesel fuel rebate overturned, but the women in the Liberal Party cannot go down and knock on Mr Howard's door and see the increased costs for child care overturned? They are not serious in here about protecting families. The women of the Liberal Party are about getting elected and implementing a Tory Thatcher government budget that does not advantage families but disadvantages them.

As my colleagues have said, these sets of regulations are very distinctly anti-family. If

you have more than one child, you are about to get it in the neck with these costs for child care. I have heard a lot of people point out that these costs are going to be a cut against working families. People should also remember that these increased costs for child care will affect families where there are not two parents working or a single parent working. These child-care assistance increases will also hurt families looking for time-out or respite. Occasional care will also be hurt here. This will affect working families and non-working families. You have to remember that these changes are going to hurt every family that ever makes use of child care.

This is particularly anti-family. It is utterly two-faced for Mr Howard to claim that he is the person representing the battling families of Australia, and then implement these changes. The women in the Liberal Party over there can do nothing to stop him. They have not stood up to argue against these increased charges. They are not here arguing the benefits for women. They are here allowing these changes to happen and those changes are going to be very specifically damaging to the families of Australia. They were not able to persuade Mr Howard to change his mind. I wonder if they even tried. Did they go down and knock on his door and say, 'You can't do this. It is going to wreck Australian families?' Or did they just leave it the National Party to get their diesel fuel rebate protections? As Senator Reynolds said before, there have been no changes or cuts to the Defence budget, but the government will take money away from the families of Australia by increasing the cost of child care.

There is a great silence from those opposite. They are a bit embarrassed about this because a mere 12 months ago they came in here and opposed the proposals by the then Labor government to find some savings in child care by reducing to 12 hours the options for occasional child care—'An outrage' they said. 'You are disadvantaging families.' They changed their tune the minute they got into government. They also misled everybody all the way to the election on child care.

In conclusion, in his policies for the election, Mr Howard set out to seduce the fami-

lies of Australia and, like any good seduction, he has left them holding the baby.

**Senator BROWN** (Tasmania) (11.41 a.m.)—I concur with other members on this side who very strongly support this disallowance motion. There is no doubt that it cuts against the grain of the average Australian sensibility towards the provision of child care, the contribution that makes to families, the ability that gives to adults to be able to gain income and fulfilment and, most particularly, the contribution that makes to the wellbeing of the child. It is very important that we reflect on that.

It is well known by educationalists that the most formative part of a child's development is the early years. We are seeing here the withdrawal of government support for centres of excellence in those early years which will deprive infants and preschoolers of access to quality child-care centres. It is putting a real strain on the families and it will deprive infants of the early opportunity for the fullest expression of their development, which is crucial. Once it has been lost, you cannot go back and pick up on it. That is what concerns me on top of all the other arguments that have been put in this debate.

In fact, we ought to be moving towards a government guarantee of access to excellence in child care for all children in Australia. But, instead of that, the government is moving towards the two-tier system as usual where the haves have the access—

**Senator Harradine**—All children?

**Senator BROWN**—Those that require it, yes.

**Senator Harradine**—Are you saying that all children should go into child care?

**Senator BROWN**—No, I said that access should be available to all children.

**Senator Crowley**—All children using child care should have access to quality child care. It's a different point, Senator.

**Senator BROWN**—It is a very, very important point. Whether that care be at home or not at home is the choice that is being made by families all around this country. I am not one that is going to take that choice away.

I am saying that the government is removing that choice and ultimately the child suffers. We have to remember that: the child is being deprived by this government move. That is a very alarming circumstance as far as I, the Greens, educationalists and families all round this country are concerned.

Today we have a national call to action—an appeal to this government to recover its sensibilities and its obligation to the children we are talking about. Since I came into the Senate on 1 July, no issue has led to the strength and degree of lobbying as this one. We have had thousands of submissions from people all over the country—in particular, from people in Tasmania. As other Tasmanian senators have pointed out, Tasmania is going to be particularly hard hit by this government move.

There has to be in this place, where the government does not have the numbers, an appeal to the government to change course and the use of voting power, I hope, to at least blunt this attack on child care excellence in Australia at a time when we should be improving it, not pulling the rug from under it. The minister opposite might roll her eyes, but that is just what is happening.

**Senator Crowley**—Not the minister! The minister is not here.

**Senator BROWN**—The minister is not here and the government representative—one of the three opposite—might roll her eyes; but that is exactly what is happening here. So the Greens strongly support this disallowance motion.

**Senator KNOWLES** (Western Australia) (11.46 a.m.)—I do not wish to delay the debate much longer but I do need to respond to some of the issues. The only response I wish to make on the issue of the operational subsidy, an issue which has been raised by some senators, is that it needs to be made clear that the operational subsidy is currently paid on a non-means tested basis to community centres—and those community centres provide only about 30 per cent of the places, which equates to about 70,000 families, compared with private centres which provide 70 per cent of the places, or 220,000 families.

Issues have been raised by senators with regard to the quality of care in those centres but that will not be affected at all by the removal of the operational subsidy. That will be maintained for all centre based long day care services through the quality improvement and accreditation system. That must comply with state and territory government regulations which prescribe key standards for long day care centres. Those key standards are those which impact on quality care—including staff qualifications, group sizes and child-staff ratios. It is quite wrong for the assessment to be made that care and quality are intertwined in those two issues.

What I want to cover today is the issue of the disallowance motion. Child care is very much an integral element of the government's strategy to promote the well-being of Australian families. The government is committed to improving the choices available to parents and providing support to assist parents fulfil their work and family responsibilities. I will come to some of the questions that have quite genuinely been raised by Senator Faulkner and Senator Evans—and some of the questions raised by Senator Woodley—because they do need to be responded to in detail. In meeting these objectives of the government we have a responsibility to ensure that taxpayers' funds are used effectively and efficiently.

What we are talking about today with this disallowance motion is its attempt to wipe out budget savings to the value of \$175,000.7 million over four years. The need to direct resources to those most in need has become increasingly important in light of the current fiscal restraints. Rapid growth in child-care places has resulted in a dramatic increase in child-care assistance outlays from 1991-92 to 1996-97 of more than 225 per cent. In anyone's language that is a dramatic increase. Clearly this level of growth is no longer sustainable. In 1996-97 the child-care budget measures will start to reign in outlays, while substantially protecting the benefits to low and middle income families. Much has been misrepresented and exaggerated both here and in general comment throughout this debate

about the effect on low and middle income families.

**Senator Jacinta Collins**—What about large families?

**Senator KNOWLES**—I have to say that the impact of the changes has mostly been confined to higher income families which are better able to meet their child-care costs. I do not believe that anyone would disagree with the prospect that the higher income families should be required to meet more of their child-care costs. Changes to child-care assistance protect the benefits of most families with one child in care. Low income families which receive maximum child-care assistance are also protected. Three budget measures are brought forward by this variation. Senator Jacinta Collins has been going on like an all-day sucker. Unfortunately, we do not understand why she has—

**Senator Jacinta Collins**—You don't understand horizontal equity.

**Senator KNOWLES**—misrepresented and how she can continue to misrepresent the situation. Her contribution in debate was totally and utterly wrong. She gave the example of a three-child family—and it is incorrect. The family would not be affected because it is eligible for more than the minimum family payment. Therefore, maximum child-care assistance is paid. This family and others like it—and I am talking about low income families—are not affected by the \$30 child disregard change. Therefore, the allegations that Senator Jacinta Collins has made are totally and utterly incorrect, based on the evidence we have before us.

I come to that \$30 child disregard. This budget measure removes the \$30 dependent child disregard from the assessed family income definition. The disregard was originally intended to recognise the cost of all children in the family. Since the introduction in 1984 of the disregard, several major changes have taken place to increase government assistance to families to help with the costs of bringing up children.

I will give examples of the other measures that have been introduced. There are more generous levels of assistance through the

family payment program, the parenting allowance and the maternity allowance. Of course, Mr Acting Deputy President, these have all been conveniently forgotten and excluded in the debate today. There has been the introduction of the family tax initiative for January 1997, which will also provide valuable additional assistance to families with children. The majority of families that receive child-care assistance, which equates to about 80 per cent of them, will not be affected by this measure.

Anyone listening to this debate would believe, from what they have heard thus far, that every family is going to be affected. That is simply not the truth. The removal of the \$30 disregard will have no effect on one-child families, because nearly 40 per cent of child-care assistance families are one-child families. Unfortunately, in this debate, we still have senators totally and utterly misrepresenting the situation.

**Senator Jacinta Collins**—Not large families.

**Senator KNOWLES**—I have just explained, for example, the circumstance of families with three or more children, yet we still have senators disregarding or exaggerating that and totally and utterly misrepresenting it. About 40 per cent of all child-care assistance families currently receive child-care assistance at the maximum rate. The removal of the \$30 disregard will have no effect on those families. The removal of the \$30 disregard will further simplify the assessment process and bring it into line with family income tests.

Senator Faulkner raised some sensible questions. I would like to reassure him. He asked about item 12 and whether an alternative assessment process has been put in place. The answer is yes. The provision in current guideline 22 is redundant. Since April 1996, all families have been assessed on the basis of taxable income. The variation in item 12 will clean up the instrument by removing redundant provisions. Senator Faulkner asked whether indexation was automatically provided by the guidelines. The answer is yes, it is.

Senator Evans also raised some genuine concerns that women feel there is going to be an attack on them through this area and that

their working restrictions will be enhanced. Women may feel that, because, as I have said before, the impact of these measures has been very much exaggerated and misrepresented. One only needed to listen to the advertisement read out by Senator Reynolds and to the contributions of various other senators to realise just how this whole measure has been exaggerated and misrepresented. So I have no doubt that Senator Evans's concerns are very real and have been expressed to him by some women.

The effects of this measure are being exaggerated and misrepresented, and I do not blame people for being concerned. However, it needs to be stated that these measures do protect low and middle income families. They protect students and women and they protect workers, including those in part-time or casual jobs. None of those people will be affected, but that is not the story being portrayed in public.

**Senator Jacinta Collins**—What about large families?

**Senator KNOWLES**—Most families—65 per cent of them—have one child in care. The government is helping those families to choose.

**Senator Jacinta Collins**—She's not answered large families.

**Senator KNOWLES**—The constant whining and rudeness of Senator Jacinta Collins is not only grating but also downright foolish. I have given her the courtesy of answering the question that she is repeating like a parrot. She may care to go back and read the *Hansard*, but I cannot account for her lack of intelligence in understanding the answer that has been given. I will proceed, because the attack on large families is just unbelievably incorrect. There is no such attack on large families. The reduced income cut-offs affect families with very high incomes. I hope that Senator Jacinta Collins has the decency to listen this time, if she did not last time.

A very small number of families—7,000 families—will get any reduced rates. At the moment, families with incomes over \$100,000 can get child-care assistance with three or more children. Large families on low incomes

are protected. That is where this misrepresentation just continues. Sixty-eight per cent of families with three or more children in care get maximum child care and will continue to do so. It is so wrong for people to misrepresent that position.

Another element of this disallowance motion concerns the question of reducing the child-care assistance income cut-offs for second and subsequent children. I have basically covered that issue. As I say, the government has reduced the cut-offs and targeted child-care assistance to low and middle income families. We make no apology for the fact that we believe that is the area where the assistance is most needed and should be targeted. Higher income families are better able to meet their child-care costs.

I restate that the majority of families are not affected by this measure. No low income family that receives maximum child-care assistance will be affected. No family in that category will be affected. Under current arrangements, families with annual incomes over \$100,000 and three or more children can collect that child-care assistance. We just do not believe that that is equitable or fair to the low and middle income earners. I put the position of the government on this disallowance motion today. I trust that the support of the Senate will be granted for these variations to be made.

**Senator ALLISON** (Victoria) (12.00 p.m.)—I rise to support the message put earlier today by my colleague Senator Woodley in support of Senator Faulkner's disallowance motion. I would like to start by saying that I think the issue here is really about whether or not families are going to be able to afford quality child care. It seems to me that it is the cost of that care which is at issue here.

We recognise the tremendous pressure that many families face in juggling their work and family commitments. We also recognise that, for many families now, the financial benefit of working only just outweighs the cost of child care itself. We are very concerned that any significant increase in the cost of child care will force at least some parents to take

their children out of formal child care altogether.

This move will therefore leave families with two fairly basic choices. The first is that one parent will have to give up work to care for the children full time. The second is that parents will have to look for alternative and less formal—and I would also mention less regulated—forms of care. We do not believe that forcing parents out of the work force or forcing parents to place their children in forms of care which are not subject to appropriate quality control is either acceptable or desirable.

What I would like to do today is read a couple of excerpts from some of the correspondence that I have received on this issue over recent weeks. I hope this will give senators some insight into what some Australian families are going through in relation to child care. One woman writes:

My four year old daughter attends a community day care centre in the Northern suburbs of Perth. . . What the impact this Budget cut will have on me personally is that I may have to reconsider whether or not to remain in the workforce. . . My husband is not on a high salary. We have a mortgage, a car loan and very little disposable income once our bills have been paid. However, we want to continue to pay our way and to work towards financial security for the future. It is important to me to work towards financial security for the future.

She repeats that for emphasis. Another woman says:

I am a single parent and if the fees are increased I will have to take my child out of the centre. I will have to stop studying which will be really disappointing as I want to create a better future for my child.

Another says:

We wish to express our dissatisfaction with the new guidelines laid down in the 1996 Budget. With the new fees in force we will have no option other than to reconsider the viability of a second income and therefore will have to reconsider day care altogether as trying to squeeze a further \$50 or so a week in addition to our fees will be near to impossible.

Those quotes really clarify the position that families are in in terms of being able to afford quality care. It is the cost of family care, in combination with those other changes that were outlined by Senator Woodley earlier

today, which make child care inaccessible to families.

I guess that is the point I wish to make here today. I know that this debate is about the child-care guidelines for fee relief. However, we need to look at the guidelines in relation to the overall picture called child care.

**Senator FAULKNER** (New South Wales—Leader of the Opposition in the Senate) (12.04 p.m.)—Let me thank a number of my opposition colleagues—including Senator Evans, Senator Reynolds, Senator Mackay, Senator Jacinta Collins, Senator O'Brien, Senator Lundy and Senator Crowley—all of whom made effective and, if I can say it, quite passionate contributions on this issue, an issue of very great significance to the Labor Party.

I would also like to take the opportunity to thank Senator Woodley for his remarks, when he exposed the government child-care cuts as being ideologically driven cuts and certainly bad policy. His remarks on the choice for families were also worth noting because he, like the opposition, recognises that these measures do take a choice away from families.

As many of my colleagues have indicated, these measures are particularly an attack on families with more than one child. These are the families who will pay more for their child care if these measures proceed.

I believe that, if taken together, the cuts to child care will mean that Australian parents will have to find an extra half a billion dollars over the next four years to pay for child care. That is half a billion dollars from family budgets which are already tight and which, of course, will become much tighter after the Howard government's budget cuts really do start to bite.

I thank Senator Knowles for her comments on a number of specific issues that I raised in relation to guideline 12. I accept her assurances that the provisions are redundant. In relation to automatic indexation, I am grateful for the confirmation she gave when she said that my interpretation of the guidelines was the correct one. I appreciate that confirmation from Senator Knowles.

I take up the point that has been made by a number of my colleagues in this debate. While we were in government, Labor made great strides in child care. We made great strides in making it more affordable. We made great strides in improving its quality. And, I believe, we made great strides in ensuring that the child-care system was responsive to the needs of families. Parents are now finding themselves having to defend that progress and those gains that were made during the life of the Labor government and defend where the child-care system in this country has got to.

Senator Knowles said that quality of care will not be affected by the abolition of the operational subsidy. This, frankly, is just a porky. I am surprised that, as chairman of the committee, clearly she has not read the 375 out of 380 submissions to her own committee that was considering the child-care legislation.

Senator Knowles talked about efficiency, effectiveness and the need to target. This is a bit of pointy-headed gobbledegook. But we are talking about children, and we say that children are not commodities, that children should not be traded for profit. The dismantling of our social infrastructure is too high a price to pay. That is the position of Labor. It has been consistently our position in government and now in opposition.

Senator Knowles indicated that these measures have been contained to higher income families. That is not true. Sixty per cent of families will be affected by the \$30 measure. I commend this disallowance motion to the Senate. The case made by opposition senators here today is an extraordinarily strong case—one of the most effective cases I have ever seen mounted in this Senate chamber in support of a disallowance motion. I commend the motion to the Senate.

Question put:

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

The Senate divided. [12.14 p.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes . . . . .	34
Noes . . . . .	36
Majority . . . . .	2

#### AYES

Allison, L.	Bishop, M.
Bourne, V.	Brown, B.
Carr, K.	Childs, B. K.
Collins, J. M. A.	Collins, R. L.
Cook, P. F. S.	Cooney, B.
Crowley, R. A.	Denman, K. J.
Evans, C. V. *	Faulkner, J. P.
Foreman, D. J.	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Kernot, C.	Lundy, K.
Mackay, S.	Margetts, D.
McKiernan, J. P.	Murphy, S. M.
Murray, A.	Neal, B. J.
O'Brien, K. W. K.	Ray, R. F.
Reynolds, M.	Schacht, C. C.
Sherry, N.	Stott Despoja, N.
West, S. M.	Woodley, J.

#### NOES

Abetz, E.	Boswell, R. L. D.
Brownhill, D. G. C.	Calvert, P. H. *
Campbell, I. G.	Chapman, H. G. P.
Colston, M. A.	Coonan, H.
Eggleston, A.	Ellison, C.
Ferguson, A. B.	Ferris, J.
Gibson, B. F.	Harradine, B.
Heffernan, W.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Macdonald, I.
Macdonald, S.	MacGibbon, D. J.
McGauran, J. J. J.	Minchin, N. H.
Newman, J. M.	O'Chee, W. G.
Panizza, J. H.	Parer, W. R.
Patterson, K. C. L.	Reid, M. E.
Short, J. R.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Watson, J. O. W.	Woods, R. L.

#### PAIRS

Bolkus, N.	Crane, A. W.
Conroy, S.	Alston, R. K. R.
Lees, M. H.	Vanstone, A. E.

\* denotes teller

Question so resolved in the negative.

### BOUNTY LEGISLATION AMENDMENT BILL

#### Report of the Economics Legislation Committee

Senator FERGUSON (South Australia)  
(12.18 p.m.)—I present the report of the

Economics Legislation Committee on the provisions of the Bounty Legislation Amendment Bill 1996, together with submissions received by the committee and *Hansard* record of proceedings.

Ordered that the report be printed.

**Senator Cook**—Mr Acting Deputy President, I seek leave to speak to this report for about 10 minutes.

**Senator Campbell**—Mr Acting Deputy President, I seek leave to make a short statement.

Leave granted.

**Senator CAMPBELL** (Western Australia—Parliamentary Secretary to the Treasurer) (12.19 p.m.)—by leave—Two days ago—and I will send a copy of the *Hansard* around to everyone—I put the position on behalf of the government that it had become a tradition in this place over the last couple of years for people to generate what have become quite lengthy debates on reports that have come back to the Senate chamber on bills that were referred under the sessional orders relating to references of bills to committee. That sessional order at (10) makes it absolutely clear:

That a report from a standing committee relating to a bill referred to it under this order shall be received by the Senate without debate, and consideration of the report deferred until the order of the day relating to the bill is called on.

As you know, Mr Acting Deputy President, these are matters that are referred to committee for consideration and report. It is done so that senators have the benefit of those deliberations, considerations and reports when the bill comes on for debate. By having these debates by leave every time a report from a committee comes in, effectively you end up creating a new second reading debate—or a preliminary second reading debate—which canvasses all of the issues that would quite properly be raised in the second reading debate and the committee stage debate.

I have certainly heard no formal agreement, but I had an informal agreement with people around the chamber that we would no longer make a habit of creating these informal, preliminary second reading debates at the tabling of these committee reports when, quite

properly, the Senate can consider all of the matters that would be raised when the debate on the bill comes on. So I made it quite clear two days ago that the government did not intend to grant leave. If we cannot get cooperation on that, we end up having suspension motions and taking up an enormous amount of time.

The trouble is that we have the situation of very diligent senators from all around the chamber from both sides doing work on committee reports and then wanting to explain what happened in the committee—taking up an enormous amount of time, when that debate can quite properly be accommodated within the second reading, the committee stage and any other stages of the bill.

That was what senators agreed when the sessional orders were put together. It was to be the committee processes that operated, but it has just got out of control. Every time a government chairman of one of those legislation committees wants to get up and say what a great job of work they have done in relation to a bill and how good the government bill is, of course an opposition member will want to get up and say what a terrible piece of legislation it is and how the committee has found that to be the case. Democrats, Independents and Greens will, of course, want to get up and put in their two cents worth, and we end up having a one-hour, a 1½-hour or a two-hour debate—

**Senator Cook**—We are not speaking to the bill; we are speaking to the report.

**Senator CAMPBELL**—Speaking to the report, which is on the bill, which is a report of the bill to the Senate so that all senators have the benefit of the report.

What effectively is created is a preliminary second reading debate about the bill or the report on the bill. Government senators who are chairmen of these legislation committees have all agreed that they will not table statements or seek leave to speak to them. I was seeking the cooperation of all senators. Senator Sherry certainly had agreed to that. Senator Carr on occasions has agreed—even though he sought leave to speak to an education bill when he was not in the chamber the other day. I am seeking their cooperation.

I would prefer that Senator Cook did not speak for 10 minutes today. Senator Ferguson, who is the chairman of the Economics Legislation Committee, has agreed not to speak. Senator Cook will have the opportunity to speak on all these issues when this bill comes on for debate. If he has some point to be made, then it can certainly be made at a range of other times in the Senate's program, such as in the adjournment debate. He can put a press release out or have a press conference. There are lots of other opportunities, but—

**Senator Cook**—I want to address the chamber.

**Senator CAMPBELL**—I am sure you do, but the procedure that we are recommending be followed is as per the sessional orders, which is that the reports be tabled without debate and that the consideration of the report be deferred until the order of the day relating to the bill is called on. That is what we hope would happen. I would encourage Senator Cook and all other senators to respect the concept in that sessional order. The government senators do. I think just about everyone else around the chamber does. I hope that would be the way we run the place in the future.

**Senator WATSON** (Tasmania) (12.24 p.m.)—by leave—I rise in support of the comments made by the Manager of Government Business in the Senate, my colleague Senator Campbell. There are two types of references in this place: legislative references and select references. The standing orders require that the legislative references get reported back to the chamber without immediate debate while the debate takes place when the bill is presented to the Senate, during either the second reading stage or the committee stage.

The request would introduce a precedent that was never intended and actually is not provided for in the standing orders. Therefore, I think the course of action proposed by the Manager of Government Business, Senator Campbell, in denying leave is correct. Otherwise, there would be two opportunities for second reading or committee stage speeches. At this stage of the year such delay is not warranted, especially given the very tight time

frames the Senate is operating under at the present time.

**Senator FAULKNER** (New South Wales—Leader of the Opposition in the Senate) (12.25 p.m.)—by leave—It strikes me that it is competent for a senator, as I understand it, to speak to the question before the chair, which was that the report be printed. Senator Cook was on his feet but did not get the call at that point. It would be competent to have such a debate. It seems to me that the sensible way to deal with this is to give Senator Cook leave. After all, if Senator Cook had been granted leave he would have well and truly concluded by now.

**Senator Campbell**—We have these reports every day.

**Senator FAULKNER**—I understand that. It is only in unusual circumstances that an opposition senator would seek leave to make a statement on a report like this. The practice that has been established—which, I might say, has been established by coalition senators—is a practice that only on occasions would an opposition senator wish to exercise for the right to speak. This has to be judged by the chamber in a sensible way. The remarks of Senator Cook would have well and truly concluded by now. Perhaps Senator Cook could conclude his remarks in a shorter period of time.

**Senator Ferguson**—That's not the point.

**Senator FAULKNER**—I have sought leave to make a statement, Senator.

**Senator Ferguson**—It's not the point.

**Senator FAULKNER**—It is a point, because it strikes me that coalition senators have been making statements in speaking to reports such as this when they come before the chamber. That is a practice that has been engaged in by a very significant number of committee chairs in the life of this parliament.

**Senator McKiernan**—It's true. I took a point of order on Senator Macdonald when he did it.

**Senator FAULKNER**—That is true, Senator McKiernan.

**Senator Campbell**—That is true.

**Senator FAULKNER**—I am glad you accept that is true, Senator Campbell. The point I am making is that this needs a little more proper discussion outside the chamber. I do not want to waste the chamber's time now. My suggestion is that Senator Cook be given leave to make a brief contribution—

**Senator Watson**—What about Senator Murray?

**Senator Ferguson**—What about Senator Murray? What about everybody else?

**Senator FAULKNER**—This is my suggestion. Just listen to it. It is up to the government to determine whether they think it is a sensible course of action. You can either agree to leave or not as you see fit. But you need to think about the consequences of denying leave to any senator.

I suggest that on this occasion it would be sensible to see the chamber grant leave to Senator Cook to make a brief contribution. He can probably conclude his remarks in about five minutes. This is not a long period of time. I also suggest that outside chamber, using some of the mechanisms we have established to have informal dialogue on procedural issues, the matter be raised and discussed amongst all parties. I think that is a sensible way to proceed. I put it forward in that spirit, and suggest to the Manager of Government Business (Senator Campbell) that there is a lot of good sense in the suggestion I have made.

**Senator CARR** (Victoria) (12.29 p.m.)—by leave—Senator Campbell indicated that he had had discussion with the opposition two days ago. As he has indicated, it was an informal discussion where he did indicate that the standing orders would be enforced, despite the fact that for some years now a practice has arisen in the Senate of allowing senators to speak to the tabling of reports.

We have a situation where the standing order in this matter has become, in effect, a legal fiction. That arises because essentially there have been a range of committee reports which are highly controversial. More often than not, the debate concerning committee reports has generally been confined to those reports which are highly controversial.

In recent parliaments the practice has arisen whereby committee chairs have sought to make tabling statements. A pattern has increasingly emerged for committees to be divided and for minority reports to be printed. It has been argued that it is important to explain the divisions that have occurred, to explain the issues that were canvassed within the report and to provide an opportunity to draw attention not only to the majority report but also to the minority report. On behalf of the opposition, I expressed the view quite clearly to Senator Campbell that if senators seek to debate issues of substance and to draw the attention of the Senate to important things that occurred within the committee process, then it is appropriate to follow the practice that has arisen in recent parliaments.

Today Senator Cook sought to speak to a committee matter and the chair quickly moved to the vote before considering his request. Senator Cook subsequently sought leave to speak, but that was denied. I understand that the government now realises the importance of these issues. I trust that we will not have these difficulties in the future.

In terms of the education committee in particular, there have been a number of reports brought down. It is a very hardworking committee. Given the range of issues that this government is seeking to pursue in that particular portfolio and given the fact that this government is seeking to remove some \$4.3 million from the forward estimates of that portfolio, it is to be expected that there will be vigorous debate on this.

Given that this parliament is required to consider these issues, I think it is appropriate that senators be given the opportunity to speak to reports, particularly when there are majority and minority reports. I understand that the government has now acceded to the request to grant leave for Senator Cook to speak on this issue. I welcome their change of heart and urge them to reconsider the course of action that has been followed here today.

**Senator CAMPBELL** (Western Australia—Parliamentary Secretary to the Treasurer) (12.33 p.m.)—by leave—I have had a discussion about this with Senator Faulkner. I agree with much of what he said. We do not want

to curtail debate, but we need to be fair to everyone in the chamber. I propose that we have informal discussions outside the chamber and we agree that at a later hour this day, or certainly in the next few hours, we will let these matters be debated so we are fair to all senators.

**Senator Faulkner**—I also suggest we have a discussion about this in another forum.

**Senator CAMPBELL**—We will discuss it amongst the parties so that these sorts of debates are brought under control.

**STATES GRANTS (PRIMARY AND  
SECONDARY EDUCATION  
ASSISTANCE) BILL 1996**

**In Committee**

The bill.

Consideration resumed from 27 November.

**The CHAIRMAN**—Order! The committee is considering the bill as a whole and Senator Bolkus's amendments Nos 1 and 13.

**Senator CARR** (Victoria) (12.34 p.m.)—We were yesterday engaged in a discussion with the minister concerning these amendments. I ask the Manager of Government Business in the Senate: does the minister intend to be present today?

**Senator Campbell**—The minister is on her way. She does intend to be here. The debate on the previous matter came to an abrupt end.

**Senator CARR**—There are a series of matters that need to be attended to. I seek leave to have incorporated in *Hansard* answers to question Nos 9 and 10 from the estimates of the Employment, Education and Training Legislation Committee and question No. 52 which was the subject of debate in an exchange across the chamber yesterday.

Leave granted.

*The questions and answers read as follows—*

EMPLOYMENT, EDUCATION, TRAINING  
AND YOUTH AFFAIRS

SENATE LEGISLATION COMMITTEE  
HEARING BUDGET 1996-97

QUESTIONS ON NOTICE

Program 1—Schools

1.1—General Assistance; 1.2—Targeted Assistance  
DEETYA Question No. 52

Senator Carr asked (Date lodged 16 September 1996)

Question:

What are the forward estimates, in real terms, for all out years in regard to general recurrent grants, capital grants, government targeted programs and joint targeted programs for the government school sector and for the non-government school sector?

Answer:

The following table shows the budget and forward estimates figures in real (final 1996) prices.

	1995-96 Actual	1996-97	1997-98	1998-99	1999-2000
	(\$m)	\$m	\$m	\$m	\$m
Government					
- recurrent	914.8	949.0	917.8	897.0	874.3
- capital	206.1	216.8	211.1	211.1	211.1
- targeted	217.4	219.2	206.9	210.6	212.1
Total Government	1,338.3	1,385.0	1,335.8	1,318.7	1,297.5
Non-Government					
- recurrent	1,651.1	1,765.8	1,836.8	1,915.5	1,992.5
- capital	116.3	109.1	87.2	87.2	82.2
- targeted	91.5	82.1	80.3	81.2	80.8
Total Non-Government	1,858.9	1,957.0	2,004.3	2,083.9	2,155.5
Joint Programs	9.9	31.8	30.8	30.9	28.4
Total States Grants	3,207.1	3,373.9	3,370.9	3,433.4	3,481.5
Annual Appropriations	52.4	54.9	57.6	21.5	13.5

\* Any discrepancies in totals are due to rounding

Note that the figure for targeted programs is indicative only as it is calculated based on the 1996 structure and allocative mechanisms for schools targeted programs. It does not take account of any changes for the broadbanding of targeted programs for 1997 and the associated changes to the allocative mechanisms which are the subject of consultations between the Commonwealth and government and non-government education authorities.

EMPLOYMENT, EDUCATION, TRAINING  
AND YOUTH AFFAIRS

SENATE LEGISLATION COMMITTEE  
HEARING BUDGET 1996-97

QUESTIONS ON NOTICE

Program: All Programs

DEETYA Question No's 9 and 10

Senator Carr asked (*Hansard* page 3 and 8)

Question:

What the total contributions from DEETYA towards the whole of government savings this financial year are? (page 3)

Could you also give us the figures on the projected savings across those years, from this year through to 2000 for the whole department? (page 3)

What then would be the drop in outlays as a result of the changes in decisions being made over the four-year cycle of the normal forward estimates? (page 8)

Would you please indicate to the committee how that \$4.3 billion is made up, program by program? How do you get \$4.3 billion? Please identify it by program, and subprogram where possible. (page 8)

Provide the forward estimates of revenue as a separate item. By program. (page 8)

Answer:

The table below summarises the net effect of 1996-97 Budget measures on the DEETYA portfolio. The detail of the measures is at page 18-20 of the Portfolio Budget Statements (PBS) 1996-97. Three measures reported in aggregate at page 18 (BM1-BM3) have been broken down and allocated to the relevant subprogram.

Program	1996-97	1997-98	1998-99	1999-00	TOTAL
	\$b	\$b	\$b	\$b	\$b
1.1 General Assistance	0.036	0.018	0.013	0.007	0.074
1.2 Targeted Assistance	0.011	0.017	0.018	0.008	0.054
SCHOOLS	0.047	0.035	0.032	0.014	0.128
2.1 Higher Education System (*)	-0.124	-0.455	-0.627	-0.749	-1.956
2.2 Target Research and Scientific Development	0.008	0.031	0.059	0.036	0.134
HIGHER EDUCATION	-0.116	-0.425	-0.568	-0.712	-1.821
3.1 Training Reform	0.023	0.038	0.054	0.058	0.172
3.2 Australian National Training Authority	-0.049	-0.072	-0.086	-0.101	-0.309
VOCATIONAL EDUCATION AND TRAINING	-0.027	-0.035	-0.032	-0.043	-0.137
4.1 JobSeeker Registration Assessment and Referral	-0.004	-0.004	-0.003	-0.003	-0.014
4.2 Employment Participation	-0.610	-1.000	-0.124	-0.164	-1.898
4.3 Employer and Industry Servicing	0.004	-0.001	-0.008	-0.008	-0.013
4.4 Case Management Services	-0.006	-0.004	-0.002	-0.002	-0.014
4.5 Aboriginal Employment Training Assistance	0.000	0.000	0.000	0.000	0.000
4.6 Case Management Processes	-0.013	-0.006	-0.000	-0.000	-0.019
EMPLOYMENT	-0.628	-1.015	-0.137	-0.178	-1.958

Program	1996-97	1997-98	1998-99	1999-00	TOTAL
	\$b	\$b	\$b	\$b	\$b
5.1 Education Assistance and Income Support	-0.063	-0.138	-0.151	-0.160	-0.511
5.2 Youth Policy and Support	-0.001	-0.011	-0.018	-0.005	-0.024
5.3 Aboriginal Education	0.008	0.013	0.017	-0.009	-0.029
STUDENT, YOUTH AND ABORIGINAL EDUCATION SUPPORT	-0.056	-0.114	-0.116	-0.173	-0.459
6.1 Executive Management	-0.001	-0.001	-0.001	-0.001	-0.005
6.2 Corporate Infrastructure and Management	0.009	-0.001	-0.006	-0.006	-0.003
6.3 International Participation and Services	-0.002	-0.003	-0.004	-0.005	-0.015
PORTFOLIO ADMINISTRATION AND ADVISING	0.006	-0.005	-0.011	-0.013	-0.023
TOTAL EETYA BUDGET MEASURES	-0.774	-1.558	-0.834	-1.105	-4.270
Higher Education Measures which are net reductions in expenditure (*)	-0.023	-0.296	-0.371	-0.441	-1.130
TOTAL REDUCTION TO EETYA EXPENDITURE	-0.752	-1.262	-0.463	-0.663	-3.140

(\*) Program 2 includes savings measures to increase HECS with differential rates depending on course and to lower the compulsory HECS repayment threshold. These measures represent a net increase in receipts offset within outlays rather than a reduction to expenditure.

**Senator Campbell**—For the benefit of the chamber, I point out that I am happy to field any questions on behalf of the minister until she arrives.

**Senator Carr**—I submit that it would be difficult for you to deal with these issues. I know that the Manager of Government Business in the Senate is required to respond to some matters, but I do not think it is appropriate for you to respond to these issues. (*Quorum formed*)

**The CHAIRMAN**—I must notify the chamber that an honourable senator who was in here left the chamber while a quorum was being called. He is not permitted to do so. But he is back now; that is alright.

**Senator MacGIBBON** (Queensland)—by leave—I came into the chamber in the belief the bells were ringing for a division. I looked at the sand-glass and saw I had plenty of time; I went out and had another sip of a cup of coffee I had bought for lunch.

**The CHAIRMAN**—That is a good explanation, but what you did was still a breach of the standing orders.

**Senator PANIZZA** (Western Australia)—by leave—I claim that I was standing in the door jamb and did not actually leave the chamber. Furthermore, Mr Chairman, may I make the observation that if you saw me over there you must have eyes in the back of your head, which I commend you on. That is my explanation and, if any apology is needed, I make an apology. I thought I was standing in the door jamb and actually had not completely left the chamber.

**The CHAIRMAN**—I was not referring to you, Senator Panizza, though I must admit that some of my former students thought I had eyes in the back of my head.

**Senator Carr**—I note that the minister is still not present. I therefore call your attention to the state of the House.

**Senator Campbell**—Mr Chairman, I raise a point of order. I do not know whether the

opposition are using delaying tactics or whatever, but I have said that I will be handling this bill. The Manager of Opposition Business will know that there has been a pairing arrangement made. He will know from his records, if he had spoken to his own whip, that the minister is paired because she has another duty at the moment. I have made it quite clear to the chamber that I will be handling the carriage of this bill until her absence from the chamber is sorted out. That is the case. I do not know whether Senator Carr is trying to delay this bill or what his game is, but I have made it clear I will be handling this bill until the minister comes back. He would know, if he had spoken to his own whip, that the minister is paired at the moment, for very good reason.

**Senator CHRIS EVANS** (Western Australia)—by leave—Senator Carr raises a quite serious point here. It is the case that the minister is currently paired, but it is also the case that the government listed the legislation for this period. The opposition has bent over backwards to assist the government by providing extra time for government business, by organising to sit early, by organising to have second reading speeches only during lunch time today. We made a number of attempts to do that. What have we have seen this week is backbenchers and parliamentary secretaries handling bills and matters that the minister should be handling.

**Senator Newman**—Oh!

**Senator CHRIS EVANS**—Senator Newman, you of all people ought to be aware that you failed to come in for the debate that you claimed was so important yesterday.

**Senator Newman**—Mr Chairman, the senator is responding to me; I have not spoken a word to him.

**Senator CHRIS EVANS**—Is there a point of order, Mr Chairman?

**Senator Newman**—I am afraid he has mistaken me for Senator Patterson.

**Senator CHRIS EVANS**—Could you call her to order, Mr Chairman?

**The CHAIRMAN**—Is there a point of order? There is no point of order. Do not shout across the chamber.

**Senator Newman**—You can't just go on naming the wrong person.

**Senator CHRIS EVANS**—Senator Newman, I will name who I like. I have got the call. If you sit down and listen for a moment, I will finish my point. You are not the only one who can be patronising in this chamber. Just let me get on with it. Senator Campbell, the point I make—if we could get Senator Newman to desist for a moment—is that it is not unreasonable for Senator Carr to request that the relevant minister be here for the committee stage of an important bill. If you are saying that you do not intend to provide ministers for the important committee stage of bills, we would like to know why.

If the minister is not available for periods today, surely you would seek to list another bill and have that debate occur rather than try to have a debate without the minister present. Senator Carr is trying to make that point. I think it is a reasonable point. If you want our cooperation, it seems to us not unreasonable that we insist that the minister be present for the committee stage of their bills.

**Senator CAMPBELL** (Western Australia—Parliamentary Secretary to the Treasurer)—by leave—I am happy to be corrected if I am wrong, but in the time of this government I do not think that people handling bills have been other than members of the executive—either ministers or parliamentary secretaries. As Senator Evans and Senator Carr know, I did have carriage of the workplace relations bill through this chamber. It was the habit of the previous government, the Australian Labor Party government, that Senator McMullan and Senator Sherry, who were both parliamentary secretaries—I will get details on this—probably carried more legislation through this place than ministers. Under the previous government, parliamentary secretaries, particularly Senator McMullan and Senator Sherry, carried an enormous workload. I suggest, in the nicest possible way, that it is hypocritical to suggest that this government should not be able to have parliamentary secretaries carrying legislation through.

Progress reported.

**HIGHER EDUCATION FUNDING  
AMENDMENT BILL (No. 1) 1996**

**Second Reading**

[COGNATE BILL:

HIGHER EDUCATION LEGISLATION  
AMENDMENT BILL 1996]

Debate resumed from 12 September, on motion by **Senator Tambling**:

That this bill be now read a second time.

**Senator CARR** (Victoria) (12.46 p.m.)—I indicate to the Senate on behalf of the opposition our very grave concerns concerning the matters covered by the Higher Education Funding Amendment Bill (No. 1) 1996 and the Higher Education Legislation Amendment Bill 1996. We have demonstrated our concerns since this government's program was revealed to the public. I think the public has begun to understand that this government's program is substantially different from that which they put to the electorate before the election.

This government is engaged in a campaign of deceit and misrepresentation. It is a campaign which is predicated on the presumption that they could go to all the interest groups in the education community and say whatever they thought people wanted to hear. Once they were in government, they discovered that they could not keep their promises. There is a campaign under way through which this government has sought to downgrade the importance of higher education in this country; not for sound economic reasons and not for sound social policy reasons, but for ideological reasons.

This government has sought to present to the people of this country the view that the government should get out of higher education and that it should reduce its commitment to higher education. This government's actions will result in the loss of 17,000 Commonwealth funded places in higher education. Of course, this fits within the general pattern of the reduction of the commitment to priority to the Department of Employment, Education, Training and Youth Affairs. Through our examination of the fine print of this government's budget, we have

seen that the government intends to reduce the forward estimates of this department by some \$4.3 billion. This government's priority is that it seeks to reduce, as a percentage of total government outlays, contributions to the Department of Employment, Education, Training and Youth Affairs from 11 per cent to nine per cent; a two per cent reduction over a four-year period. That is a huge amount. It is one of the most dramatic shifts in government priority we have seen in recent times.

The Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone) has travelled the length and breadth of the country. She has been saying that she is doing something other than what she actually is. It is part of the government's propaganda campaign to suggest to the public that it is doing something other than what it actually is doing. The government is suggesting that the cuts to higher education and the attacks on higher education are something other than what they actually are. The government is suggesting that the removal of \$1.956 billion from the higher education sector is really only a nick; that students who campaign about it should be treated as spoilt brats; and that vice-chancellors who complain about it are wrecking the university system. The government says that the Labor Party—which so strenuously opposes these changes—should be disregarded because, it is alleged, the Labor Party is undermining the higher education system.

In this budget program \$1.956 billion is being taken out of the higher education system. That is the answer that was provided to the Senate estimates committee. That is not the position this minister has put to the Senate. This minister has suggested to us that, somehow or another, the changes amount to a little more than some \$600 million. I acknowledge that there are targeted research and scientific development initiatives being taken by this government. However, if you add up the various initiatives this government has taken, the net effect of those changes is \$1.821 billion. That has been taken from the higher education sector. If we add the impact of the changes that this government is seeking to make to HECS, to the differential rates

program, and the various other devices that it is engineering through this budget, we see that it is seeking to raise \$1.13 billion in revenue. I appreciate that Senator Vanstone has returned. I am very pleased to see her. I can say this to you directly. There can be no more insidious attempt to mislead the public than to suggest that the removal of \$1.821 billion from the higher education sector is other than what it is. Your attempts to suggest that, in real terms, it is just some \$600 million change just won't wash.

The particulars of this legislation highlight the fact that this government is seeking to usher in changes to higher education policy which are probably more revolutionary than we have seen in a generation. It follows the same sort of pattern in the school sector. In the budget we see the same sort of pattern emerging for the employment sector and for the Department of Employment, Education, Training and Youth Affairs in the higher education sector. Professor Bruce Chapman of the Centre for Economic Policy Research at the ANU—one of the foremost experts on the higher education contribution scheme—said that these measures are bigger than the abolition of fees by Whitlam in 1973, bigger than the changes introduced by Dawkins in 1988, and bigger than the changes and modifications that the Labor government introduced in 1989 with the introduction of the higher education contribution scheme itself. He told the Senate committee:

I find that the recent change is of great interest. I think that they have the potential to change the system of higher education more than anything else that has happened in Australian debate over the last 30 or 40 years, and that includes the abolition of fees in 1974 by the Whitlam government and the institution of HECS in 1989. I don't think that potential will be understood for a while.

Of course, that is the whole strategy here—to try to hoodwink the public and to suggest there is something happening other than what actually is. Professor Chapman made his position very clear and put it very simply. He recognised that the measures contained in this bill increase the cost of higher education substantially to the highest levels for a public education system in the world and allow for

the introduction of undergraduate fees in a totally deregulated manner.

The public debate has concentrated largely on the introduction of the differential HECS, which will see a movement towards the payment of contributions by students at different rates for different courses in a totally unjustified and totally iniquitous way. To explain that position, I put to the Senate one very simple example. I put this same example to the minister before the committee. If you have in one staffroom two teachers, recently graduated, one a science teacher and one a humanities teacher, where is the justice, where is the equity, of the proposition that sees the humanities teacher having a different level of debt from the science teacher? Where is the justice in that?

What was the minister's response? 'Of course, we don't live in a perfect world.' That was the minister's response, a most glib and arrogant response to the concerns that have been reflected not just in this chamber but across the country. The most appalling contempt, the wilful ignorance that is being demonstrated by this government in higher education, by this minister in particular, knows no bounds—her contempt for any critic, her contempt for any suggestion that somehow or other this government might well have got it wrong.

We have seen in recent days that government ministers are now beginning to understand—other than the minister herself—that things are going terribly wrong, that right across the country we see an acknowledgment, in terms of applications for university places, that students are being turned away in droves. We are seeing on the campuses across this country teachers being sacked. In Victoria, some 1,000 teachers are facing redundancy. We are seeing university courses being curtailed, opportunities being limited, programs being slashed. In one way or another, we are seeing the undermining of this important and very worthwhile achievement of the Labor government which saw, in recent years, the growth in funding of 70 per cent and the development of a mass education system. We saw the growth in the number of students of a little more than 70 per cent in that period

and, of course, massive changes in the higher education system.

But what does this government seek to do? It seeks to turn its back on those achievements. It suggests that somehow or other its measures are based on some sort of equity principle. What is the reality? When asked the simple question, 'What changes are being introduced here that will increase the participation in higher education for the sons and daughters of blue-collar workers', what is the minister's response? We asked the simple question: how many extra sons and daughters of blue-collar workers will participate in our universities as a result of this government's changes? Of course, the answer is, 'We don't know, we haven't done any studies on that sort of thing, we really don't know.'

I think that is a very generous answer from the minister because the reality is simple: anyone with any commonsense would understand that you do not increase equity in the universities, in the higher education system, by increasing the cost of higher education. I cannot for the life of me understand how this government could seriously propose that you increase equity by increasing the costs for ordinary families so that the poor in our society have less opportunity to participate.

I do not for a moment suggest that the situation is perfect, that the level of participation for working class families in our universities is adequate. But I say in response to those who complain about that: the answer is not to make it more difficult for the sons and daughters of working people to actually go to university.

Of course, that is what this is all about, isn't it? It is about turning the clock back. The introduction of up-front fees, for instance, for undergraduate courses will mean that those who cannot satisfy the demands on the basis of ability will be able to buy their way in. What does this bill propose to do? It proposes to introduce, in a totally unregulated way, provisions for the introduction of up-front fees for undergraduate students. Currently, under the present law, they are prohibited from being charged fees. There is a legislative right under current law so that universities

cannot charge for Australian graduates in award based courses.

What does this government seek to do? It says in its public statements that this measure will be limited to only 25 per cent of students at university. What is the protection in the bill? Absolutely nothing. This whole condition will be dependent upon the minister's guidelines as to what will govern the regulations. We must rely upon the assurances of this government, which has demonstrated time and time again that it cannot be relied upon in terms of its assurances.

I note that the minister has left us yet again, so she is not even here to listen to this discussion. I make the point that the minister does not have the time, really, does she? We will not hear much from her in terms of any change to the position because of her wilful ignorance of these matters.

In this bill we have further changes to ancillary fees. Once again these are unregulated. It is an open slather provision which will not protect Australian students from being charged fees to use libraries, for instance. There is no guarantee in this bill that there will not be additional charges for the use of libraries. There is no guarantee in this bill that the expected requirements for any university course will not be charged for.

There is a whole range of other measures in these bills which undermine the notion that there should be a quality, comprehensive higher education sector in this country. We see the movement towards a market based approach where, in my judgment, the profile processes themselves will be undermined by the demands of the universities to seek additional revenue to make up for the loss of Commonwealth dollars.

That is what this government says it will do; it will move increasingly to the private funding of universities, the privatisation of higher education in this country. The device will be the introduction of fees and charges so that students will not be able to undertake reasonable courses and reasonable programs of education without additional up-front fees being demanded.

The higher education scheme was not supported by everyone in this country, but it did provide a vehicle by which there could be a small contribution—20 per cent of the total cost of a course—towards the overwhelming expansion of the higher education system in this country. What is being proposed here is a fundamental shift in the philosophy of that program—a shift towards the notion that education is essentially a private right and a private benefit, and the community benefit is to be downgraded and discounted. In that manner, this government is seeking to follow through on its market based approach to higher education.

This scheme will allow the wealthy to do well. There should be no illusion about that whatsoever. This is a movement back to the period well before Whitlam when, if you went to a good private school and you had plenty of money, you had no problems getting into university. But the sons and daughters of working people will face even greater obstacles to the achievement of a tertiary education than they do at the moment.

In terms of open learning, we see the Trojan Horse for fees, and deregulation being introduced. The restrictions on financial assistance through the open learning programs and the deferred payment scheme will in themselves provide inequity. They will hit women in particular and, according to the Open Learning Agency's own research, they will also hit disadvantaged groups who cannot afford to pay up-front fees.

The Open Learning Agency amendments are more sinister in that they present themselves, in my judgment, as a stalking-horse for much bigger things to come. They provide a pattern for financial assistance which will be contained within the deregulated climate. There will be a sort of voucher for the assistance, which will be capped at this time, whereas the fees will be able to be floated. You will not be able to contain the spread of fees and the charging of fees in that environment. I think you will see in due course the spread of this new regime throughout the tertiary sector. We will see it of course in private universities, which was noted in evidence from Dr Peter Tannock from the

Notre Dame University to the committee hearing.

The proposed changes this government is seeking will do more to undermine our mass education system than I think is generally understood. It is driven by market considerations, ideological presumptions. It is driven by budgetary obsessions. The Tories' vision of higher education is effectively one that is contained within those limitations. The concepts of social justice and the concepts of broader understanding of the importance of education, particularly tertiary education, to the economy and to society are being lost.

This policy is being driven by the needs of this government as it perceives its budgetary priorities. It is not about broadening horizons. It is not about providing increased opportunities for Australian citizens. It is providing a vehicle by which certain groups in our society will benefit from government actions and other groups will be seriously disadvantaged. In that way, this government, I think, is failing all Australians.

I think there is a presumption in most political circles that governments, when they come into office, will rise above their prejudices. This is a government that has failed to do that. It has come into office on the presumption that universities are not good places for Tories. It has come into office on the presumption that the spreading of learning is not necessarily an objective it wants to subscribe to. It has come into office on the presumption that anything it told the electorate could be easily discarded. It has come into office on the presumption that it can do or say anything to get into office because ultimately it stood only for office and not for a commitment to those broader values that the Australian society has come to expect as important to the running of national education programs.

We have seen massive changes in higher education in the last 10 years, massive changes for the better. Of course there can always be improvements. But to attack students, to attack people who attend and work in universities and to attack higher education, which plays a critical role in this country's future, is not an appropriate course of action for this government to follow. I urge the Senate to

recognise how important higher education is and seek to defend the contributions that are made to ensure that there is a much greater level of social equity. (*Time expired*)

**Senator TIERNEY** (New South Wales) (1.06 p.m.)—I rise to participate in this cognate debate on two higher education bills, including the Higher Education Funding Amendment Bill (No. 1) 1996, which was referred to the Senate Employment, Education and Training Legislation Committee for inquiry. We have had that full inquiry and reported back to the Senate.

Today we have heard from Senator Carr his usual, predictable and hysterical contribution to this debate. He overlooked in his contribution the very basic fact that the higher education contribution scheme was introduced by a Labor government. When they came into power, there were no fees in higher education. They were the ones who introduced the fees and they were the ones who increased them considerably over that period of time.

Senator Carr's closing remarks about what this measure will do to mass participation in higher education and the way in which it will undermine that is just plain nonsense. That did not happen in the changes to the HECS scheme that we have come to know to date.

I turn to the way in which the inquiry did address the major provisions of this bill. It addressed the modification of the higher education contribution scheme, the removal of the prohibition on offering full fee paying places to Australian undergraduate students, the introduction of the system of merit scholarships for undergraduate study and the provisions for the Open Learning Agency to charge for the delivery of units of study.

The bill introduces three changes to HECS. It lowers the income threshold for the repayment of accumulated HECS debt, it provides for an overall increase in the contribution level and it introduces differential HECS contributions from 1997. Indeed, this last measure is very much in line with a recommendation of a committee set up by the former Labor government and chaired by Neville Wran. It advocated back in 1988 the introduction of the scheme which we have now put in place.

The measures, in toto, that I have just mentioned refine the current HECS scheme and strike a better balance between private and public contribution to the funding of higher education. The differential HECS scheme does this in two ways. The contributions made by students will now more closely reflect the actual cost of a course of study. It will also reflect more closely the private benefit to graduates in terms of their expected income in their private careers when they finish study.

The committee noted that the average level of contribution to HECS under the new scheme will be about 27 per cent on average, when discounts such as interest free deferrals are taken into consideration. In international terms, that level conforms pretty much with the general range of private contribution to public higher education.

It is too early at this stage to actually predict the final effect of these changes on actual enrolments next year. The government believes that these effects should be monitored very closely when they do occur. High priority should be given to monitoring access and participation rates according to various study disciplines and also according to various socioeconomic groups.

There may be a case—science is one that comes to mind—for actually moving it to a lower band if what happens next year indicates there is an adverse demand for science units. Accordingly, the committee has recommended that the allocation of science units in HECS band 2 be adjusted in the event that there proves to be an adverse effect on the demand as measured by enrolments next year. This three-level banding system that I have just outlined is one which, in summary, is in accordance with costs of courses and also with the income of people when they do graduate.

The second major issue of the bill relates to the opening up of places to Australian students to allow students who want to come into courses to be able to do so on a full fee paying basis if they do not win a HECS based place in the first instance. This does address the current anomaly that exists in the system

whereby foreign students can gain places by paying full fees but domestic students cannot.

Senator Carr indicated that they are buying their way in. Obviously, what he would prefer to happen is that these students totally miss out on a university education: because not everyone can get in, no-one can get in on this basis. Not only does that remove career opportunities for a huge number of Australian young people; it is also not in the national interest. If we could boost, by whatever means, the number of Australian students who are studying in higher education, all those measures must be welcome. Certainly on equity grounds, if overseas students can come here on that basis, why on earth can Australian students not come in on the same basis?

It is important to note that these fee paying places will be additional to the number of government funded places available to Australian undergraduate students. Universities will be able to enrol fee paying students only after they have filled their HECS quotas. With any course, the number of fee paying students will not be allowed to comprise more than 25 per cent of the enrolments. Any university which enrolls a full fee paying student without first fulfilling its HECS course quotas will face a penalty of \$9,000 for each of those students. I believe this restriction will prevent full fee paying enrolments from crowding out HECS funded enrolments in higher education.

The measure will free up HECS funded places in the system for people who are currently missing out on places. If some students elect to pay full fees for their first course choice, they will leave open other HECS funded places for other students to fill.

Those sorts of guarantees in the system and those sorts of effects I think put the lie to what Senator Carr said earlier, that this government wants to get out of higher education. What an absolute nonsense! We are actually funding higher education to the tune of \$5 billion a year. We are giving guarantees that the number of places will not drop. His claim about that sort of future direction of the government just has no basis in reality. It is just an hysterical response. It has no credibility and gives his arguments no credibility at all.

The third major change in this bill, another one that the committee did address, is that of allowing the Open Learning Agency of Australia to charge for delivery of units of study. The OLA is run by Monash University. It has an agreement for 10 years. Under the agreement with the former government, it has to be self-sufficient after this year anyway.

It does derive income currently from student fees and from the sale of video and educational exports. At present, the OLA has an agreement with the Commonwealth to charge fees less than the proposed HECS level. This would be less than the cost of delivering those services.

The bill allows the Open Learning Agency to set realistic fees. This is necessary because in an earlier inquiry of the Senate standing committee we saw the situation where there was not really enough money in the system to support these students and universities had to cross-subsidise the course. The removal of that and the drain on the other resources of universities by this measure I think are most welcome.

Universities have announced a more realistic level of fees than they had previously, and that is \$425 per unit. That, I would like the Senate to note, falls far short of the alarmist predictions that were given to the committee during our most recent inquiry. There were, for example, predictions that it would be about \$700. As I have indicated, it is well short of that.

The committee examined the claim that the provision for the Open Learning Agency to determine the fees charged is a pilot scheme for applying a fee system more broadly across the higher education system. Such a claim was made in the committee hearings. We found that that claim appears quite fanciful as the unfunded OLA system differs very markedly from the government funded system and the regimes for charging are quite different.

It was on the basis of this analysis of the bill in total, the provision to allow the OLA to charge for units of study and the modification to the HECS system allowing full fee paying places to Australian students, that the Senate legislation committee recommended that the Higher Education Legislation Amend-

ment Bill 1996 should be passed without amendment. I commend both bills to the Senate.

**Senator STOTT DESPOJA** (South Australia) (1.17 p.m.)—I acknowledge the contribution of Senator Kim Carr earlier in this debate on the higher education bills. I must say to Senator Tierney that, if he believes that the contributions in this debate are emotional or irrational, it is because we have good reason to feel very angry and concerned.

**Senator Tierney**—Just Senator Carr.

**Senator STOTT DESPOJA**—I rise today on behalf of the Democrats, who are very concerned and very angry about the changes that are before this house in the form of the Higher Education Legislation Amendment Bill 1996. In fact, as Senator Carr referred to, we had a number of expert witnesses in the public hearings of the Senate Employment, Education and Training Committee on this bill. One of them was Dr Bruce Chapman.

For many of us, Dr Chapman is the credited architect of the HECS scheme. So when he comes out opposing the proposed HECS hikes and other fee increases, then I think perhaps those on the other side of the chamber should take note. His comments were that the changes in this bill had the 'potential to change the system of higher education more than anything else that has happened in the Australian debate over the last 30 or 40 years and that includes the abolition of fees in 1974 by the Whitlam government and the institution of HECS in 1989'.

It is true that the pace and the extent of the changes before us today are unprecedented in this country. They are regressive changes, they are sinister changes, and they threaten to turn back the clock, as Senator Carr said, to take higher education in this country back at least 20 years. In fact the fees and the charges proposed in this bill today are higher than the fees charged in the pre-Whitlam era. The move to increase private contributions to higher education and in some cases charge up-front and full cost fees makes little educational or economic sense.

I think one of the most disturbing aspects about this debate has been the climate in

which it has taken place. I am so sorry that the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone) is not here because this is one debate where she should be present. This is one debate in which she should be prepared to front up and face people and defend what we consider are indefensible changes.

The minister has attacked students. She said that they squeal like stuck pigs. She has accused academics and administrators of living in ivory towers. She has attacked the various lobby and representative organisations that have participated in this debate. Still not content with a compromise position from the Australian Vice-Chancellors Committee, the minister has lashed out at them, too.

In the last couple of days we have seen perhaps one of the most sinister and regressive aspects of this debate—the outright threats and blackmail by this government. The minister has said that, if these changes are not passed, if we block or stop these changes, despite the fact that they are unfair, that they are appalling changes, that they deny higher education to poorer students and to traditionally disadvantaged groups in our community, she will further cut operating grants to universities in this country. What kind of a Hobson's choice is that?

No wonder there are senators in this place who are grappling with such a difficult decision and a difficult choice. But I appeal to them today, as I appeal to the minister and her government, to rethink these higher education changes, to rethink the sense of charging up-front full cost fees when we know that these fees and charges are an economic, a financial and a psychological disincentive to participate and enter into higher education, especially for traditionally disadvantaged groups.

Operating grants are being cut by five per cent over the next three years. The full extent of those cuts, as presented to the Senate committee hearings, is \$1.95 billion over the next three years. That is the extent of the cuts we are talking about—not a couple of hundred million dollars, as the minister would have us believe. When the minister threatens to further cut operating grants—for a sector

that is already operating at its leanest, I might add—she should take into account the overwhelming public support, the strong community support, that exists for a publicly funded and accessible higher education system in this country.

We have poll results. In May, for example, at the height of community concern and action, an AGB McNair poll demonstrated that 85 per cent of Australians disagreed with the government's cuts to operating grants and that 60 per cent believed those funding cuts would diminish the quality of higher education in this country.

On university fees, which of course this bill seeks to increase, the community disapproval is substantial—78 per cent of people polled do not support increases. These figures are supported by a Saulwick poll that took place close to the Lindsay by-election. In that poll 68 per cent of people polled believed that universities were not getting too much funding. When people were asked whether or not they thought differential HECS was a fair change, 69 per cent of those polled said they did not think it was a fair change.

As for up-front fees, 68 per cent of people polled said that universities should definitely not be allowed to charge up-front fees. So I ask the minister to think twice before she tries blackmailing and threatening members of this place, and also members of the community and the higher education sector, because public demonstration has been strong. And it is everywhere; it is not just coming through representative organisations such as the National Tertiary Education Union or the National Union of Students. It is individuals.

When I went to the service station at the weekend, the man serving me said, 'About those changes to higher education, it is not me I am worrying about, it is my younger brother because he does not have the money to pay to get into higher education.' That is what we are looking at, Madam Acting Deputy President. We are not talking about your merit enabling you to access higher education; we are talking about your bank balance, and that is why these changes are so regressive.

The minister's doublespeak in this debate has been stupefying. In fact, I do not think I would mind so much if Minister Vanstone would accept and acknowledge that, 'Yes, it is true; we are making these decisions because we are a cash-strapped government and we're going to penny-pinch from students and disadvantaged people in our community.' But, of course, that overlooks the fact that there are economic aspects to this debate too, that higher education actually makes money for this country, that export education generates more money for this country than wheat sales. But I think, because the minister is so new to this portfolio, that she is yet to balance up these facts.

On Monday in this chamber the minister tried to argue that publicly funded education was somehow regressive. It was extraordinary doublespeak that we heard. She claimed that lower socioeconomic groups and Australian battlers had not increased their participation rates in higher education between the abolition of fees and 1989. But what is more interesting is what the minister left out of her statements in question time on Monday as opposed to what she put into them. Her selective reporting neglected to inform the Senate that in 1973, the year before fees were abolished by Whitlam, only 20 per cent of full-time students paid fees for higher education and, of those who did not pay, 41 per cent received Commonwealth scholarships and 39 per cent received state government teacher studentships. Both these schemes paid the fees on the students' behalf.

Importantly, before fees were abolished they were set at a level lower in real terms than what is proposed today. Students contributed around 15 per cent towards the course cost, yet the figures that we are looking at today could see students paying up to 60, 70 or 80 per cent of their course costs. What the minister failed to admit was that prior to 1974 the vast majority of students did not pay fees and that those who did paid substantially less than the fees we are faced with today.

The minister also neglected to mention another fact, concerning the availability of student financial assistance to those students. In the 1970s, when the forerunner to

Austudy—TEAS—was available, 79 per cent of students were in receipt of some form of financial assistance: 40 per cent received TEAS and 39 per cent received some other form of support. By 1984, however, the story changes—in fact, it is quite different. The number of students with access to financial assistance had declined to 47 per cent, and in 1996 only around 40 per cent of full-time students received income support.

Let us not forget that the majority of students who receive Austudy in this country receive around 38 per cent of poverty line benefits. It is worth acknowledging that, when TEAS was introduced, that existed at 117 per cent of employment benefits.

We are told, of course, that Austudy is not meant to be a living allowance, that it is an income supplement, but even the changes proposed by this government move away from any concept of income supplement. But I think that is a debate yet to be had when the Austudy regulations come before this place.

But student financial assistance is vital to the puzzle as to how we increase participation in higher education of those groups who are traditionally disadvantaged. We do not remove those props; we do not decline the level of assistance available to those people—we should be encouraging and increasing it. Since 1987 we have seen fees constantly rising and we have seen student financial assistance cut back. That is the decline in participation that the minister has been referring to.

The way this debate has been handled and misrepresented by the minister is interesting. I refer to an earlier comment she made in this place, in fact last year, when she referred to the Goebbels principle that, if you keep repeating it, people will believe it. That principle is alive and well in this debate, and I urge senators who have yet to make up their minds or who are puzzling over this debate to take into account the rhetoric they have heard in the debate as opposed to the facts and the figures.

This government and Senator Vanstone have betrayed students; they have betrayed the higher education sector—not simply because these changes are so awful but because they have lied. They broke promises.

They went to the election saying they would not cut operating grants, that they would strengthen regional universities and that they would maintain HECS and Austudy. And what have they done? They have blatantly breached every one of those promises.

Not content with doing that, this minister has abused and accused staff, academics, students and even vice-chancellors at every turn. She has not celebrated intellectual integrity and pursuit in this country; she has not celebrated the diversity and the strength of academia in our country. Instead, she has run it down and she has threatened the sector in so doing.

But yesterday there was a gleam of light, even if it did come in the form of Minister Peter McGauran, Minister for Science and Technology. It was the first concession that yes, differential HECS does have the potential to act as a discouragement for young people to enter science and engineering. That is what he said. But we knew that. We had seen the information provided to the Senate committee on this matter. We knew enrolments had already declined by at least 13 per cent across the board and, according to yesterday's national paper, by 20 per cent. That is the number of enrolments that have dropped across this nation for science courses.

What did the minister say when confronted with this reality? Minister Vanstone suggested that one university had increased its science enrolments by five per cent. Whoopee! However, the rest of the nation has seen a collapse in science enrolments. These are the very areas that we have targeted as national priorities.

Differential HECS is a system that administratively, socially, academically and economically does not make sense. For a start, we are going to have to provide \$13 million in order for it to be administered. Senator Carr was right; it does not make sense for teachers with similar income-earning potential to have significantly different HECS debts. Those who pursue science will have HECS debts hanging over their heads that are completely different from the debts of those who pursue English, even though their income-earning potential is roughly the same. That

puts paid to Senator Tierney's earlier comments that somehow differential HECS is about balancing private and public benefit.

Minister Vanstone keeps referring in this place to the recommendations of the Wran committee report. Let us get it clear that she is not implementing those recommendations. The recommendations being talked about in this chamber and in this bill are not the same as the ones proposed by the Wran committee. Let us think about this. The Labor government was quite gung-ho about introducing fees for higher education, be they for overseas, postgraduate or undergraduate students. If it had found a more favourable recommendation in the Wran report, it would have implemented it.

However, the most appalling aspect of this bill—the most sinister and regressive change—is the move towards up-front and full-cost fees. Senator Carr is right; there are no safeguards and mechanisms in this bill that will ensure that the previously mentioned 25 per cent quota will be enforced. We are opening the doors to an elite system based on the ability to pay. It is a wealthy system in which your bank balance, not your brains, determines your merit.

The findings of the 10th Higher Education Council report on this year's postgraduate fees in Australian universities provides a stark demonstration of what we can expect. Of course, we can look to the United States of America to see what we are in for if we continue to move in this direction of full university fees and fully entrenched user pays education.

This report found that all target equity groups suffered some degree of disadvantage in an up-front fee paying system. The report found that, in 1995, while women comprised over 50 per cent of this population, less than 42 per cent of all fee paying postgraduate places were held by women. While indigenous people comprised 1.4 per cent of the population, their representation in fee paying postgraduate courses was 0.5 per cent. While rural Australians made up 24.3 per cent of our population, their representation in these courses was just over 10 per cent. While isolated people made up something like 4.4

per cent of our population, only 2.2 per cent were represented in fee paying postgraduate courses.

Finally, the most devastating figure of all is the representation of those people the minister refers to as the winners from these regressive pieces of legislation, which are Australians from lower socioeconomic backgrounds. They may make up a quarter of this country's population, but only 6.59 per cent will be found in fee paying postgraduate courses. As for scholarships, I wish Senator Tierney were here for this one because, whoop-de-do, there will be 4,000 over four years, or 1,000 per year. Someone explained to me how these scholarships or so-called exceptions will help really disadvantaged people in our community. There are 1,000. How appalling! How shameful this government is to pretend that they are really concerned about access and equity when they are offering 1,000 scholarships every year for four years.

Any pretence of commitment to access and equity has been thrown out the window with the reduction in the threshold at which graduates begin to repay their debts. So \$28,000 per year is roughly average weekly earnings. But let us not kid ourselves, because we know that estimates of average weekly earnings are really around \$35,000 per annum. Average weekly earnings is the point when the debt kicks in and graduates begin to repay their debts. It has been moved to just over \$20,701 per annum. We are going to see people living below the poverty line and paying back these debts. We are going to see people on less than 70 per cent of average weekly earnings repaying these debts. Someone try to convince me that this minister and government really care about the so-called battlers.

We have removed whatever possibilities there were for—let us call it a carrot as opposed to a stick approach—the voluntary repayment of HECS. This removes the few incentives that are provided for students and graduates to repay their debts earlier. So committed is this government to penalties and punitive measures that it cannot think in terms of incentives to get HECS paid back faster.

This bill signals the death knell for what remnants of publicly funded and accessible

higher education are left in this country. I make no bones about the fact that the Australian Democrats see it as imperative that higher education in this country be accessed via merit, skill, intellect and ability, not by earnings. It is shameful that we saw the beginning of this process in the late 1980s. We saw the introduction of the higher education administration charge by the then Labor government. We saw the beginning of a pattern, which the coalition has grabbed with both hands and run with. We have seen the entrenchment of user pays education in this higher education system, and it is shameful. At least the ALP opposition is seeing sense. I am grateful for the commitments of the opposition, the Greens and, I hope, other Independent senators to preserve what we have left in terms of accessibility in this country.

My plea to the minister is to not blackmail this place and throw threats at the sector or the parliament. You would not dare cut operating grants further. The polls are not on your side, the people are not on your side and we are certainly not on your side.

**Senator MARGETTS** (Western Australia) (1.37 p.m.)—Much of the 1996-97 higher education budget is atrocious, to say the least, as are many of the measures in this bill. If the government's agenda is implemented, it will return higher education to worse than its pre-Whitlam days, in which the rich retained their privilege in higher education and subsequent employment. With all the rhetoric of Liberal conservative theory about individualism and merit based systems, these changes mean that study opportunities will be gained on the basis of an ability to pay rather than intellectual merit. Disadvantaged students will not be able to access the higher education system.

The merit based scholarships of only 1,000 per year are so tiny in proportion as to be almost irrelevant. It is also worth pointing out that the scholarships are not scholarships at all but HECS exemptions. So the status quo remains except possibly for the 1,000 people in equity groups. This is the pathetic extent of the government's attempt to reduce the impacts on disadvantaged groups.

In the Higher Education Legislation Amendment Bill 1996 some of the inequitable changes occurring include, firstly, funding. Operating grants are to be slashed, as was mentioned, by \$623.6 million over four years. But the real impact on universities is an effective cut of 10 per cent. This is due to the additional cuts to discretionary funding, the quality assurance fund and the national priority reserve fund, which is being cut by \$213 million over four years. The lack of funding for a staff wage claim is costed at a further \$200 million. That totals \$1.2 billion. The minister and the department refused to admit to these cumulative effects during the estimates hearings.

Australia already compares unfavourably with other members of the OECD in terms of funding per student and funding public institutions around \$US17,056 below student average. The further cuts of 10 per cent continue the steady decline of university funding over the last decade. It is obviously a trend precipitated by the former Labor government but grabbed with both hands by this government. NUS has calculated that since 1983 there has been a 35 per cent drop in equivalent full-time student unit funding through operating grants from the Commonwealth. But now the Liberal government will knock the nails into the coffin of the Australian higher education system.

Universities already plan to shed hundreds of staff, closing whole departments and cutting student services such as equity support and child care. The human and physical resources of universities have been run down to the point where research, teaching and quality of education have suffered greatly.

I now go on to HECS. The government plans to double HECS under three new tiers of differential HECS, moving \$313 million of the financial burden from the government to students. This is followed by the reduction of the repayment threshold to \$20,000, which moves a further \$817.4 million of the financial burden on to students. Remember, just accelerating the repayment simply is an accounting tool. It means that in the future that debt repayment will not be there. You are not actually getting any benefit except putting

hardship onto people who have already gone through a hard time.

HECS alone means that \$1.2 billion of the so-called \$8 billion in savings will come directly from students. When the outcome is fewer students wanting to go through this, will we not then see more pressures to lower the threshold to get into universities and lowering of the standards so that we can lure more people in to pay the fees to get into the system? The good people—the people with talent that we need to have gaining higher education skills in this country—will not be able to put themselves through this.

Students remaining on tier one will suffer a 35 per cent increase. Those studying science or engineering on tier two will suffer a 92 per cent increase. That is almost double. Those studying medicine and law on tier three of \$5,500 per year will be landed with a 125 per cent increase. The ability of disadvantaged students to study law and medicine will surely decrease when one considers the government's other policies to restrict Medicare numbers to Gps—that is, to give them an extra year to pay and to study. Many lawyers are on low salaries already, either out of work or on low paying community or clerk jobs.

There is no clear picture coming from the government about how they even set these levels. Aside from the rhetoric, the government cannot clearly show that the proposed tier system reflects either income or the cost of courses. Potential income varying within and between professions is so variable in itself, especially for law and science. The tier system proposed also does not reflect the cost of the course. A far more progressive way to charge people is through the taxation system after they are deemed to be earning high enough incomes no matter what their profession.

This policy change does not rest on any quantitative assessment of individual benefit, although there is plenty of rhetoric about changing the discourse away from education as an investment to education as an individual benefit and therefore a cost. In New Zealand the individual benefit accrued was measured at 25 per cent—interestingly, the equivalent of the current system of non-differential

HECS. The proposed system would have students paying in excess of 60 per cent of course costs. This has been mentioned before.

Three-tiered HECS means that only the rich will be able to study medicine and law or science and engineering, which then entrenches their social position when they enter the workplace. If only the rich can afford an education in the professions that earn more money, how can people from disadvantaged backgrounds hope to break the cycle of their disadvantage in the community?

Differential HECS has a particular effect on Aboriginal and Torres Strait Islander people who are working towards self-determination with their own doctors, veterinarians, engineers and so on working in their communities. An inequitable three-tiered HECS system makes it very difficult for them to achieve these aims.

I now move on to fees for higher learning. The government's amendments allow the open learning agency to charge up-front fees in addition to the basic charge. The basic charge will be the only amount that the Commonwealth will then subsidise with the open learning fee to charge unregulated amounts above that amount which has to be paid in full by the student as an up-front fee. This measure will have a large detrimental effect on the participation of people from disadvantaged backgrounds in higher education. Students from disadvantaged backgrounds, mature age, part-time, rural and isolated students may in the past be more likely to choose OLA as a mode of study to avoid some of the on-campus costs of studying at universities and the new up-front fee regime. These people will now also be deterred from studying through the OLA as well. This is another door to be shut in their faces.

The Greens share the concern that the voucher model of student funding which is planned for open learning is actually a test model for universities—a prototype for broader scale introduction, as suggested by NUS and student activists. NUS believes that the proposed system is modelled on the National Commission of Audit report recommendations for a voucher system with scholarships. The voucher system is one that was proposed by

the Liberals in Fightback in 1993 and later ruled out during the 1996 election campaign. It is another example of broken promises. It is a recycling of the 1970s and 1980s monetarist model from people such as Milton Friedman in the United States of America.

Budget changes to undergraduate fees indicate a change from mass based education where, despite their socioeconomic background, academic ability assured the student a place. The debt burden of large increases in HECS coupled with up-front fees for undergraduates will mean that the costs of a higher education will be prohibitive and many more people will choose a dole queue instead of an institution of higher learning. This will affect many mature age students trying to reskill to re-enter the work force, as well as young school leavers.

The major impact of the government's combination of changes to HECS fees and cuts to grants is on equity. It could even be argued that the proposed situation for 1996 will be worse than that offered to students in 1974 because the same level of scholarships was not being provided. Once tuition fees were abolished in 1974, the demographic and socioeconomic participation of students at university changed markedly.

NUS states that, from 1974 onwards, there were improvements in the number of women, mature age students, people from working class backgrounds, students with English as a second language and other underrepresented groups participating in higher education at both universities and colleges. Also, between 1974 and 1979, the proportion of students whose fathers were employed in trade or manual work increased from 14 per cent to 19 per cent, and those with fathers in professional backgrounds dropped. When the \$250 up-front HEAC was imposed, the major groups to drop out of university were mature age and part-time students.

These are broken promises, more broken promises. All senators in the chamber are well aware that every single measure in this bill is a broken election promise—in quality, diversity and choice. The policy platform promised no fees at the undergraduate level as an alternative to HECS. This was broken within

six months. In 1995 the Liberal Party supported my own second reading amendment to a student assistance bill which criticised the three previous HECS increases and confirmed that none of the opposition parties at the time wanted any more HECS increases for the next triennium, until 1999—again, another broken promise.

The Greens will continue to oppose what we regard as a move towards elitist higher education which is designed to advantage the higher socioeconomic groups and entrench privilege in education and work opportunities. We will be moving particular amendments to remove the HECS changes and fees in particular. Ultimately, however, the Greens will vote against the bill—more than once, if necessary. I urge all other parties and senators to stand for principle and do the same.

The second bill we are considering is the Higher Education Funding Amendment Bill (No. 1) 1996. There are many miscellaneous changes in this bill together with some fundamental changes, the main change being major cuts to university operating grants. I will talk about these cuts and reflect on their impact on the higher education sector.

The major cuts are the cessation of quality assurance and discretionary funding, which total \$213 million over four years; and the cuts to university operating grants of \$623.6 million over four years. These cuts have been calculated as having the effect of a cut of 10 per cent on the university sector. That 10 per cent cut is a further cut, I might add, to the 10 per cent which was also cut from the university sector by the former Labor government. The Greens are fundamentally opposed to any further cuts in higher education funding. The clever country is fast becoming the dumb country—or the corporate-controlled clever country, if the push for corporate funding of university research is maintained.

The 10 per cent figure is derived from the cessation of quality assurance and the national priority reserve fund, plus cuts to university operating grants and the lack of funding for the academic pay claim which is costed at a further \$200 million. Universities already plan to shed hundreds of staff, closing entire departments, cutting student services such as

equity support and child care. The human and physical resources of universities have been run down to the point where research, teaching and the quality of education have suffered greatly.

The following are examples of the impact that are known so far. Universities plan to shed 1,500 jobs nationally to deal with their \$680 million grant cuts. Older universities are abandoning applied subjects such as physics, applied science, languages, sports science, visual arts and performing arts. Enrolments for science and maths courses have fallen dramatically—also resulting from science being charged double HECS under tier two and universities cutting positions and science places.

Flinders University will cut its science degree places by 90. Adelaide University will drop 127 subjects for 1997, with agriculture and natural resource sciences losing the most. James Cook University will discontinue between 30 and 50 subjects, especially in the higher level sciences. The University of New South Wales and Adelaide University are cutting drama, dance, educational theatre and the visual arts. James Cook University and the University of Tasmania are cutting languages, such as Italian. The universities of Tasmania and Wollongong will drop physics. The head of Flinders University blames the drop of 20 per cent in science enrolments on the new HECS regime which would bring science and engineering to tier two.

The larger and long-term economic consequences are not known. University professors are very concerned because science provides the innovation on which we later capitalise. The University of Adelaide will shed 100 staff. Deakin University will sack 170. In Western Australia, the University of WA, Murdoch University and Edith Cowan University are all talking about possible mergers; and Murdoch University and Curtin University may seek closer cooperation. A new round of the formation of super-universities is being forced again by the coalition government.

What is vitally important is for the federal government to stop their denial and ignorance about the impact of cuts on universities. When the ANU launched a donation cam-

paign through their graduates to make up their funding shortfall, the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone) told them to just seek corporate funding. The corporate funding solution is at the heart of the economic rationalist philosophy on higher education and needs to be exposed for its flaws.

The reduction of government funding for tertiary institutions will force institutions to find their own funding base. This will have a striking impact on teaching, research and the availability of particular disciplines and curricula—more than what we have already seen. When this government suggests a solution to funding cuts, which entails a heavy reliance on external funding such as corporate funding, this has the potential to buy us education outcomes and research activities in favour of the corporate sector.

The corporate agenda will steer finances away from basic research to applied research, and away from the humanities and social sciences towards science and technology research. Universities are the powerhouse for the bulk of Australia's basic research and must remain independent of business, instead of being turned into factories for developing niche markets for business. It is clear that the government is living in denial and ignorance about the impact of cuts on the university sector.

During the estimates committee process, I repeatedly asked questions of the minister about the total impact of cuts to universities based on the government's three-pronged assault on universities: cuts to discretionary funding, cuts to operating grants and the rejection of the university pay claim. The government could not answer my questions, probably because the impact of the cuts has not even been determined. There has been no analysis of the impact of operating grant cuts on employment, exports, research or development. These cuts are an uncontrolled experiment. It is obvious from the government's ignorance that cuts have been motivated by cost only and that they have no idea of the economic, social, academic or administrative effects of their decisions.

I would also like to make special mention of the former Aboriginal strategic initiatives program, which under item 6 of this bill is repealed and placed in general university operating grants. There is no way of knowing how this program has fared, as there is now no separate allocation that will allow us to determine whether it has been cut or not. The Aboriginal education strategic initiatives program remains for school students and suffers cuts in outgoing years.

For university students, the Aboriginal tutorial assistance scheme and the Aboriginal students support and parental awareness scheme are not separated from indigenous education strategic initiatives program funds. So it is also not possible to determine whether there have been cuts to those schemes. I would like to find out what the deletion of section 19 under item 6 actually means, what Aboriginal participation programs will be funded under university operating grants and for what amounts.

It concerns me that these are being lumped in together with university operating grants, which reduces the accountability and makes smaller programs more vulnerable to cuts, when the university sector is under considerable pressure from limited public funds from its operating grants. I think this will mean that, if there are cuts to these programs, the government will be able to turn around and say, 'Look, that was the decision of the individual universities and not a decision from us.'

The Greens recognise that we cannot stop the cuts going through without the sector missing out on grants altogether. Despite this, the Greens WA will be voting against this bill in principle, so that we can signal the strength of the community's protest on these enormous cuts and the fact that this direction in the funding of universities is inequitable and totally unacceptable.

**Senator CROWLEY** (South Australia) (1.56 p.m.)—It is a little difficult and disappointing to have to begin a contribution with so few minutes left, because it does interrupt one in the middle of the flow of one's argument. We are talking about the Higher Education Legislation Amendment Bill in particular

and the impact it will have on people who attend universities, who teach at universities and who anticipate that one day their family members will be able to attend university.

But a point that I know the Minister for Employment, Education, Training and Youth Affairs, Senator Vanstone, is aware of—because one of her colleagues in the South Australian parliament, Dr Such, was at pains to very loudly and publicly explain it to her—is that these cuts to universities and to the furthering of tertiary education will have a dramatic economic impact on any community that services a university. It is a point that South Australia's fragile economy is acutely aware of and it is a point that cannot be overlooked in this debate.

It takes Senator Vanstone, Prime Minister Howard and his budget to get the students, the staff and the vice-chancellors of our universities to unite in public protest like they had not done for years.

**Senator Vanstone**—Ha, ha!

**Senator CROWLEY**—You may laugh; they did not; they will not; and they are not laughing now. Senator Vanstone, I am pleased you are here to hear this. I refer you to the *Melbourne Age* of Tuesday this week where a family is photographed and very prepared to have their name and facts mentioned. They point out that, while life is tough in that their employment is not secure and they know that and they are worried about it, the impacts of the increasing costs in child care and of the increasing costs of education which will be cutting in for their children mean that families will be much less well-off than they were before.

**Senator Vanstone**—Rubbish!

**Senator CROWLEY**—No, it is not rubbish, Senator Vanstone. If you want to say rubbish to the families of Australia, you tell them that they are stupid and that they do not know what they are talking about—and you do. They say that you are very offensive. You are very offensive to say 'rubbish' to the faces of Australian families. That is you—very offensive.

**Senator Vanstone**—Madam President, I raise a point of order—

**Senator CROWLEY**—You don't like it, do you, Minister?

**Senator Vanstone**—Just for the record: my exclamation 'rubbish' was directed quite specifically at Senator Crowley. It appears she does not welcome it.

**The PRESIDENT**—There is no point of order.

**Senator CROWLEY**—I am glad that you rule that way. The minister knows full well that there is no point of order. 'Rubbish,' you say to the families of Australia. You do not know what you are talking about. The families of Australia know that the increased costs in education are making them very uncomfortable and very unrelaxed.

It is interesting that it is only a minute that you are in here before you are agitated about the impact of your changes on the families of Australia. The families are not comfortable; they are not relaxed; and they know that it is only going to get worse. Prime Minister Howard said, in taking over government, that he was going to look after the battlers and the families of Australia. He has duded them.

Debate interrupted.

### QUESTIONS WITHOUT NOTICE

#### Price Waterhouse Study: Industry Programs

**Senator FORSHAW**—My question is directed to Senator Parer, the minister representing the Minister for Industry, Science and Tourism. Is the minister aware of recent estimates contained in a study by Price Waterhouse which show that industry programs axed or downgraded in the budget generated an extra \$1.5 billion in turnover and exports in the telecommunications sector last year? Is the minister aware of Price Waterhouse estimates that the \$67.5 million computer bounty generated at least \$1 billion in incremental turnover last year? Is the minister aware that export development grants cut by \$344 million over four years made \$450 million in exports at a cost to the government of \$23 million last year? And is the minister aware that \$13 million paid to the telecommunications industry under the DIFF program

generated \$90 million in additional production?

**Senator PARER**—In response to Senator Forshaw, no, I am not aware of the Price Waterhouse study and I will refer it to the minister for a response.

**Senator FORSHAW**—Madam President, I ask a supplementary question. It is very disappointing and rather negligent that the minister is not aware of a study in respect of this by one of the most reputable companies. I ask: assuming that the figures produced by Price Waterhouse are correct given their high reputation, when will the government concede that it has got it hopelessly wrong on industry programs for high technology based industries and that its policies will lead to stagnation, loss of market penetration, low growth, lack of exports and corporate failure?

**Senator PARER**—I thank Senator Forshaw for his supplementary question. I wish he had asked it first. I am unaware of the Price Waterhouse study. We have put in place what are probably the best industry programs that we have seen in a decade. The reason why we have done that, as everybody is aware, is that we were confronted with a \$10 billion deficit which we inherited from the previous government. This meant that we had to address a whole range of issues including the cutting of budget items.

What we have achieved in the period of time since we have been in government is something that the industry has looked for for a long time. There have been two cuts in interest rates. We also addressed—and this has been raised on a number of occasions by senators on the other side and it was raised in estimates as well—a syndicated R&D program. We gave examples of the sort of roting that was going on. (*Time expired*)

#### Budget 1996-97

**Senator HEFFERNAN**—My question is addressed to the Leader of the Government in the Senate and concerns the budget which has been endorsed overwhelmingly by the Australian people. What will be the consequences for the Australian community if the Labor Party continues to sabotage the government's plans to reduce the debt caused by Labor?

**Senator HILL**—Labor is at it again, but this time from opposition. What it is doing is seeking to undermine the economic strength that the new government is seeking to put in place for the benefit of all Australians. The record of Labor in government was high taxes and high debt. Now from opposition they are seeking to force the same upon the new Howard government. This Labor Party in opposition should reflect upon the fact that it was defeated overwhelmingly at the polls because Australians wanted a new direction. Australians wanted lower taxes, lower debt, lower interest rates and a chance for increased employment and increased prosperity. Labor could not deliver that and so they elected a new government to take a new direction.

The new government did what they wanted; it brought down a fair but tough budget that cut expenditure to take pressure off interest rates and taxation. What does Labor do from opposition? It immediately sets about to undermine the integrity of that budget; it disregards what the Australian people demonstrated they wanted at the polls; it disregards what the Australian people said in the Lindsay by-election; and it disregards what the people are saying in every poll that you pick up, that is, that they want the Howard government and the Howard recipe to be given a fair go.

Labor is trying to govern from opposition and rip the substance out from beneath that budget in an effort to force up taxes or force up borrowings which was the Labor Party way. I remind you, Madam President, that we inherited a budget deficit of nearly \$10 billion. That is what Labor left us with.

*Opposition senators interjecting—*

**The PRESIDENT**—Order! There are far too many interjections.

**Senator HILL**—It left us with a legacy of high debt, high taxes, high interest rates and high unemployment. We took the steps—the hard decisions—to change direction. Yet we are now being undermined by a Labor Party from opposition determined to bring that policy down.

Madam President, what they ought to do is to listen to their Premier of New South Wales who said recently:

I don't think federal Labor can attempt to rule this country from a minority position in this Senate and I think we've got to accept that we're in opposition.

They do not believe it here. He went on to say:

Labor should not attempt to rule this country from a minority position in the Senate and it would be politically mistaken for it to attempt to do that.

But it is doing it already. Four hundred million dollars of our savings have been ripped out from beneath us by this Labor Party in opposition and it plans to rip further savings away from us with the consequent pressure upon taxes, consequent pressure upon interest rates, consequent pressure upon inflation and consequent pressure upon job opportunities.

This Labor Party could also listen to the New South Wales state Treasurer who said:

More debt now simply means bigger interest bills in the future and fewer dollars to spend on hospitals, schools, roads and all other key priorities.

In other words, if Labor continues to wreck the Howard government's policy of savings and if Labor from opposition undermines the integrity of this budget by refusing to allow us the savings that flow from it, then Labor must take the consequences—a loss of the capacity to properly fund hospitals, schools, roads, et cetera as the New South Wales Treasurer said, and more pressure on inflation, more pressure on interest rates, more pressure on taxes and less capacity to give back to the Australian people what they were seeking from us when we were elected.

#### **Research and Development**

**Senator COOK**—My question is directed to Senator Parer, the Minister representing the minister for industry. Does the government accept that WA firms Orbital Engine Co. and Valiant Consolidated, two companies that have applied for R&D syndication, have a track record of good R&D, want to conduct further valuable research and development and are not among the companies Mr Costello and Mr Moore describe as 'rorters'? Does the government also accept that neither of these

two companies fits the profile of any of the four actual case examples issued by the ministers of companies alleged to be rorting the R&D syndication system? Why won't the government now allow the IR&D board to decide the merit of these companies' R&D applications for syndication in the normal way rather than blocking the board from even considering them?

**Senator PARER**—I thank Senator Cook for his response! Let me say that it was made very clear, not only here but in estimates committee, that at no stage would we give examples where you would identify a particular company. This is a requirement, as Senator Cook would well know, in that the government is legally constrained under section 47 of the IR&D Act. In no circumstances do we intend at any stage to identify companies. Senator Cook would be aware—and in no way am I referring to these particular companies—that there are Australian Federal Police investigations into some of the rorts that were going on.

Senator Cook is aware that the syndication of IR&D has been abandoned. It has been abandoned for very good reason. Case examples were spelt out of the sorts of rorts that were occurring. The former government was well aware of the rorting that was going on. To Senator Cook's favour, and I have mentioned this before, he did attempt to stop these rorts. It was pointed out to him quite clearly in estimates that, in retrospect, it did not work. The government had no option, if it was interested in preserving taxpayer dollars—and we are certainly interested in doing that—but to abandon the R&D syndication.

The examples given were quite clear. There was a case of a researcher being sold cold core technology through a private researcher for a figure of around \$1,000. Three days later, the private researcher sold the same core technology to a syndicate for \$14 million.

These things became tax avoidance measures quite legally. I think Senator Murray referred to this the other day. You can question the word 'rort', Senator Murray. It was quite legal, but the system was being used in a manner for which it was never intended.

Thus, the government had no option but to abandon the R&D syndication.

**Senator COOK**—I ask a supplementary question. I note that, by not saying these companies are okay, they are caught in the broad smears that the government has made. Minister, as you know, these companies and 46 others will not be even considered for the START program unless they bow to the minister's dictates and cease any action to enforce their lawful rights and, as well, completely withdraw their applications for syndication. Isn't this just another sorry chapter in the saga of the government's mishandling of research and development in Australia? And isn't telling companies that they cannot have any R&D funding at all, unless they renounce their legal rights, just straight-out blackmail? Does Premier Richard Court of Western Australia agree with the government in this?

**Senator PARER**—I have no idea what Premier Court's view is on this. All I can say is that what amazes me is the persistence of the opposition—knowing that the system was being abused—and the continued questioning by the opposition on this matter. Who are you defending? What are you saying?

**Senator Cook**—These companies, for a start, Warwick.

**Senator PARER**—You said quite clearly here the other day in question time, Senator Cook, that you did not disagree that so-called rorting was going on. If you still persist with that, why are you continuing to question the government in its attempt—

**Senator Cook**—Because these are decent companies.

**Senator PARER**—When Senator Cook was in this portfolio, he knew it was going on. He attempted to correct it. It didn't work. Legislation didn't do the trick. We had no option but to abandon the system.

#### Temporary Doctors from Overseas

**Senator EGGLESTON**—My question is directed to the Minister representing the Minister for Health and Family Services, Senator Newman.

**Senator Bolkus**—Is she here?

**Senator EGGLESTON**—She is today. She is well up-to-date with all the issues too. The minister will be aware that my home state of Western Australia includes many remote and isolated communities, including Aboriginal communities, to which it is difficult to attract and retain doctors. Can the minister advise the Senate whether the government will continue to allow the recruitment of temporary resident doctors from overseas in certain circumstances where it is demonstrated that a qualified Australian resident doctor cannot be recruited to a designated area of need?

**Senator NEWMAN**—Madam President—

*Opposition senators interjecting—*

**Senator NEWMAN**—I am sure the people of Australia, particularly those in Western Australia, will be interested, even if the opposition is not. It is a serious issue which—

**Senator Faulkner**—Madam President, I raise a point of order. On each and every occasion the opposition asks Senator Newman a question on a portfolio that she represents, either health and family services or defence, she always takes it on notice because she says she could not ever be expected to answer such a question; it is far too hard for her. I am very surprised you have called on her to answer a question on this occasion.

**The PRESIDENT**—There is no point of order.

**Senator NEWMAN**—Of course we all know that it is not true; the point of order just wastes some question time while I give the answer. I find it strange that the opposition have become so rabid when they have an opportunity to sit back and think about policy issues, which obviously they need to do after their loss in the election. One of the matters they ignored during their stewardship was doctors in practice in rural Australia. Senator Eggleston has a strong and continuing involvement in rural and remote medical practice in Western Australia. He has been involved in that area for 22 years. He takes a strong interest, unlike the Labor Party senators, although I would have expected the Western Australian ones to have had some interest in this answer.

In the past, one of the ways in which shortages in rural and remote areas have been addressed has been through allowing foreign doctors temporary residence under the areas of need scheme, whereby doctors would work in such areas for up to two years either in a fixed location or as a locum. I can confirm, Senator Eggleston, that the areas of need scheme in relation to temporary resident doctors will continue for the foreseeable future, including in relation to Western Australia. I expect the Commonwealth and Western Australian governments will continue to work together on related issues.

But I should stress to the honourable senator that the government does not see the recruitment of temporary resident doctors as the quick fix to the problem of rural doctor shortages; rather, we see the recruitment as a last resort when it is absolutely clear that the recruitment of—

*Opposition senators interjecting—*

**Senator NEWMAN**—We see such recruitment as a last resort when it is absolutely clear that no qualified Australian resident doctor, whether locally or overseas trained, can fill the vacancy. In the past it has been too easy for federal and state governments to avoid the major distribution problems of the national medical work force by bringing in temporary resident doctors.

The areas of need scheme is complementary to and not a substitute for the comprehensive package of short to medium term measures that the government is introducing to encourage more doctors to work in rural and remote Australia. These include those measures which are currently before the Senate, such as offering new incentives for young doctors to gain experience in rural areas, including opportunities to work as rural locums, subject to adequate supervision and support, and arranging privileged entry into the Royal Australian College of General Practitioners' training program for doctors completing a period of service in an approved rural setting, which may include country hospitals and Aboriginal medical services.

But they also include other budget measures foreshadowed in the election campaign, such as maintaining and enhancing the general

practice rural incentives program to offer incentives to GPs considering locating to rural and remote areas. They also include a wide range of measures, such as the John Flynn scholarship scheme, the establishment of six departments of rural medicine to expose as many medical students as possible to country practice and looking at the possibilities of enabling trained nurse practitioners to complement doctors in rural and remote health services. Unlike the Labor government, we are taking a strategic approach to medical work force challenges which will help us to meet the needs of all Australians, including those in rural and remote Western Australia.

#### **Importation of Cooked Chicken Meat**

**Senator BOB COLLINS**—My question is directed to the Minister representing the Minister for Primary Industries and Energy. The minister would be aware that the Senate Rural and Regional Affairs and Transport Legislation Committee—chaired by Senator Winston Crane, who I hope is getting better and who was the chair of the government members' primary industry committee—tabled a unanimous report on its inquiry into the importation of cooked chicken meat on 31 October. Will the government adopt the all-party recommendations of the committee?

**Senator PARER**—Senator Bob Collins, of all people, would be aware that quarantine issues are critically important to Australia's primary industries. Australia's national interest in quarantine policy has two dimensions. The first is to protect the health of humans, plants, animals, fisheries and our natural and built environments through a conservative, disciplined and scientific approach to our quarantine, including effective border controls and assessment of import access requests. The second is to safeguard and enhance our trading interests, including gaining access to export markets, by conforming with international obligations. Australia was instrumental in establishing and adopting relevant international systems and standards.

As the minister for primary industries has made clear on numerous occasions, the government has no intention of moving away from a conservative approach to quarantine policy justified on scientific grounds. Equally,

as Senator Collins would well appreciate, Australia worked hard to get in place through the WTO sanitary and phytosanitary agreements a set of international arrangements which sought to ensure quarantine is not used as a tariff barrier.

As regards cooked chicken meat, this has been the subject of extensive review and analysis over the past six years. The former minister, Senator Bob Collins, received a final report from AQIS in May 1995—

**Senator Bob Collins**—And refused to approve it.

**Senator PARER**—And signed off on it.

**Senator Bob Collins**—Rubbish! Rubbish!

**Senator PARER**—He was apparently going to undertake some final consultation with the industry. We can only speculate on what Senator Collins did, but all key scientific groups, state authorities and the industry have agreed that the cooking parameters proposed will inactivate the diseases of concern. This is the situation which Minister Anderson inherited. He held consultations with industry in May and June and initiated two government industry working groups to enable final consultation on the technical quarantine protocols to be applied and on the possible economic adjustment which might need to be considered as a result of cooked chicken meat imports, which are estimated to constitute two to five per cent of domestic chicken consumption. With regard to a recent Senate report on the issue, the minister will be considering the outcomes of the working groups and the recommendation of the Senate report before quarantine processes are finalised.

**Senator BOB COLLINS**—Madam President, I ask a supplementary question. In respect of—

**Senator Alston**—A personal explanation might be better.

**Senator BOB COLLINS**—That nonsense was laid to rest in the House of Representatives. In terms of your senior minister's attitude to this, Minister Parer, in a speech to the National Association of Forest Industries recently your senior minister, in explaining why he and not you had responsibility for forests, said:

. . . I chose not to follow the Labor path of leaving forest policy to resources ministers. It demands the stamp of a cabinet minister.

Minister, do you agree with the stamp your senior minister has put on the leaders of the Australian industry in today's media in terms of the importation of chicken meat—that is, the leaders of the peak body in this industry in Australia are 'immature reactionaries' and 'unable to look at the future of their own industry'?

**Senator PARER**—You could have picked this supplementary, couldn't you. I read the paper today too, Senator Collins. The minister has advised me that the comments attributed to him in today's article in the *Australian* are correct. Australia's quarantine policies must be based on science rather than on emotive argument or protectionist objectives. Given the important part international trade and agricultural products play in the Australian economy, it is in Australia's interests to ensure quarantine requirements are technically defensible and based on sound scientific fact.

#### Budget 1996-97

**Senator KERNOT**—My question is addressed to the Leader of the Government in the Senate. Minister, can you tell me where in the coalition's election policies you said you would cut support for community based child care? Can you tell me where you said you would cut funding to public schools? Can you tell me where you said you would increase university fees and close dental hospitals? Can you tell me where you said you would cut support for research and development? Can you tell me where you said you would make people use their superannuation to support themselves in unemployment rather than in retirement? Is it not the fact that the total of broken promises so far is \$12 billion? Can you tell me what happened to the Prime Minister's commitment to the effect that, faced with an unexpected budget deficit after the election—a black hole, even—he would choose to keep his election promises ahead of accelerating deficit reduction?

**Senator HILL**—Madam President—

**Senator Carr**—And tell us about integrity in government too.

**Senator HILL**—Yes, I will tell you about integrity in government and sound economic management, Senator Carr. I suggest that we start by looking at the situation we inherited.

**Senator KERNOT**—Madam President, I rise on a point of order. I hear from the minister's introduction that he is going to tell us about sound economic management. That is what he said. I have asked about six specific coalition election promises that have been broken.

**The PRESIDENT**—Senator Hill to date has spoken for only 10 seconds. I do not believe it is long enough to fully understand the line he is taking, but I am sure he is aware of the question. I would like there to be sufficient silence to enable me to hear the answer.

**Senator HILL**—It is an important question because it gives me the opportunity to repeat the basis for the budget that we brought down consistent with the promises that we made at the election. At the election, we primarily promised that we would create an economic environment in which we would give the opportunity for job growth—and I remind you, Senator, that there are still three-quarters of a million Australians out of work—and increased prosperity for all. I remind you that, under Labor, real wages actually fell, particularly for those middle income earners who make up so much of Australia. We also promised to give young people in particular greater hope for the future.

They were the promises at the election and the budget that we brought down was a tough budget, but it was designed to set the framework within which those objectives could be achieved. We had to tackle the \$10 billion deficit—the Beazley black hole—that we inherited if we were to create an environment within which small business in particular could grow and could employ more Australians and in which prosperity could grow. Whilst a \$10 billion deficit continued—Labor's policy of running on excess debt—there would be continual pressure on interest rates, inflation and taxation.

We said that it was time to take control of that budget expenditure side, something that the Labor Party was not ever prepared to do, in order to create that framework within

which there could be ongoing economic expansion with benefits to all. That is what we have sought to do. Some of the decisions that we have taken thereunder have been difficult, but the child-care one was not so difficult, Senator Kernot. We actually do not believe the taxpayer should be subsidising the rich for child care.

**Senator Bob Collins**—The rich! The rich!

**Senator HILL**—You see, we are for the battlers. We reckon the lower income earners ought to get a fair go. The trouble was you gave out so much to the rich that you ran up a \$10,000 million deficit.

**Senator Bob Collins**—The people who are getting child care ripped off them will love to hear themselves described as 'rich'.

**Senator HILL**—So it is the rich who have to expect a few cuts, and that is why the decision was made in relation to child care. In relation to schools, Senator Kernot, you are fundamentally wrong. We are increasing funding for schools. Our budget policies, our budget statement, in relation to schools have been applauded.

In relation to university fees, we said that there should be a better sharing of the cost. Higher education in this country costs an enormous amount. We all know that. It is a budget that is forever increasing. We said that those who get personal benefit should be prepared to pay a little more, and they can do so through the HECS system, which is a very fair system. It means that they will not be paying until they are in employment and until they are earning reasonable income, but then they should be prepared to put a little bit more back into the cost of their higher education.

**Senator Vanstone**—Hear, hear!

**Senator HILL**—As Senator Vanstone has said so often, why should those who do not go to university be expected to pick up all the tab? Perhaps those who do go and get a personal benefit as well as a public benefit should be expected to pay a little more. What is so unreasonable about that? The funding support for R&D is still at 125 per cent which, I would respectfully suggest, is very reasonable.

What I am saying to you is that, in a difficult budget environment where we inherited a huge deficit, we have been able to act both fairly and responsibly. Whether you like to acknowledge it or not, Senator Kernot, that is exactly the view of the Australian people. They want us to be able to implement this budget and give all Australians a fair go. *(Time expired)*

**Senator KERNOT**—Madam President, I ask a supplementary question. Minister, you know very little about who uses community based child care. It is hardly the wealthy. Is it not true that \$10 billion worth of deficit reduction measures has been passed by this Senate in the last week or so? In contrast, is it not true that, when you were in opposition, you sought to block \$6 billion a year—that would have been \$18 billion worth of extra deficit reduction by now? Finally, will you concede that the Senate has a legitimate right to say whether it thinks the measures you are now advocating—which were not part of your election campaign and which in fact are contrary to your promises—are fair or not and whether they are good or bad for the economy?

**Senator HILL**—What Senator Kernot would concede if she were fair is that Labor, during the election, said that there was no budget deficit. We came in and found that the deficit was \$10,000 million, and we have had to draw a budget in accordance with a \$10,000 million deficit reality. That is what you should take into account. If you take that into account, you will realise that difficult decisions had to be made. But you continue to make errors, Senator Kernot. Increasingly, community based child care has been used by the wealthy, and that is one of the problems.

The decisions that we made in the budget were fair. The Australian people believed that they were fair. They expect this budget to be passed, not undermined. It has been primarily undermined by Labor. We know that, because they were a high tax party, a high interest rate party and a high debt party. But, Senator Kernot, when you join with them in collusion, what you are doing is not giving us the opportunity to do what the Australian people expect. *(Time expired)*

### Private Health Insurance

**Senator CHRIS EVANS**—My question is directed to the Minister representing the Minister for Health and Family Services. Minister, you would be aware that one of the coalition's key electoral promises was the private insurance rebate. According to Mr Costello, this will mean \$350 a year to families with hospital cover only and \$450 for those with ancillary cover, in addition. Are you aware that in my own state of Western Australia the vast majority of families with private health insurance cover belong to either HBF or Medibank Private. The average increase in premiums these families have been plagued with since you came to office is \$200 per family. Do you acknowledge that, at this rate of increase, any benefit from your rebate will be wiped out by the time families qualify in July 1997?

**Senator Patterson**—They weren't going to get anything under your government.

**Senator NEWMAN**—I just heard Senator Patterson probably give you the one liner—they were not going to get anything under you. Regardless of the recent premium increases—

*Opposition senators interjecting—*

**The PRESIDENT**—Order!

**Senator NEWMAN**—Madam President, I have sense that sometimes I get under the skin of the opposition. Do you think I might be right? Regardless of the recent premium increases, the fact is that people will be better off by up to \$450.

*Opposition senators interjecting—*

**Senator NEWMAN**—I think they are having a bit of trouble.

**The PRESIDENT**—Order! There are persistent interjections from the opposition which are disorderly and not in accordance with the standing orders. I call Senator Newman.

**Senator NEWMAN**—Earlier today, Senator Evans had problems distinguishing between Senator Patterson and me when she interjected on him. He then had trouble accepting reproof. We are both females. That

is the main problem. I think they have trouble with females in their party.

There have been increases in health fund premiums over recent months, and we know exactly why there have had to be increases. Private health numbers have been run down because the previous government was not prepared to support private health insurance.

*Opposition senators interjecting—*

**Senator NEWMAN**—It is a sensitive issue apparently for the opposition. Nevertheless, the fact remains that former Senator Graham Richardson has put his finger right on it—the measures that have been taken by this government are the right ones to save Medicare. That means getting more people back into private health insurance.

After 1 July 1997, a family on a low to moderate income with private health insurance will be \$450 better off than they would have been, regardless of the premium increases in the meantime. We are putting the money in their pockets; you would never do it.

**Senator CHRIS EVANS**—Madam President, I ask a supplementary question. First of all, I reject that slur on Senator Patterson. I would not dare mistake her for Senator Newman. Minister, in the light of these massive increases, can the government possibly stand by its predictions that membership of private health insurance schemes will increase under its policies?

**Senator NEWMAN**—I am so intrigued that Senator Evans still has problems realising that he was talking about the wrong senator this morning. He still obviously does.

**Senator Chris Evans**—Look at the *Hansard*, you dill.

**Senator NEWMAN**—You misled the Senate.

**Senator Alston**—Madam President, on a point of order: I think we all understand that a degree of latitude needs to be extended to an opposition that has to while away the long hours being meaninglessly irrelevant. But that is a very different proposition to their concerted attempt to disrupt questions whenever Senator Newman has the call. It seems quite apparent that opposition senators are not

interested in the answers. They are simply interested in trying to ridicule Senator Newman and make a mockery of what are presumably serious questions. I invite you, Madam President, to not allow that behaviour to continue.

**Senator Faulkner**—Nice of Senator Alston to pop in for a change and join us. On the point of order, Madam President: it is very unusual that, when a minister has been asked a question and then asked a supplementary question by a senator, she has to actually ask Senator Alston—the senator sitting next to her—what the question is. That is the case on this occasion. This minister is so incompetent and so weak she cannot even concentrate on a supplementary question.

It has also usually been the case, I point out again, that when Senator Newman has been asked a question or a supplementary question from this side of the chamber in a portfolio where she represents a minister, she has refused to answer on the basis that she is a minister representing a portfolio minister in this chamber. On that basis, Madam President, I think you could very properly rule Senator Alston's point of order out of order. A load of old codswallop!

**The PRESIDENT**—Senator Faulkner, your comments are not apposite to the point of order. The alternative was to ask the question to be repeated or to get it from Senator Alston. It was not surprising at the time that she could not hear it. Senator Newman, have you anything to add to that?

**Senator NEWMAN**—I do not think there is much to add except to say that our—

*Opposition senators interjecting—*

**Senator NEWMAN**—Madam President, I know there is lots of fun to be had on the other side. But there is not much else, is there? It is opposition. That is all you have got out of question time.

**The PRESIDENT**—Senator Newman, you should direct your attention to the supplementary question.

**Senator NEWMAN**—The senators opposite had 13 years to do something to save Medicare. It was predicated, on its introduction, on having a reasonable proportion of

Australians providing, through the private health system, for their own health cover. Rebates from the taxation system as incentives are the tried and true way to encourage change of behaviour, and this government believes that this will encourage people to get back in.

**Senator West**—Why?

**Senator NEWMAN**—Because many Australians, as you would know if you talked around the country, wanted private health insurance and felt they could not afford it. *(Time expired)*

### Indian Ocean Tuna Commission

**Senator O'CHEE**—My question is directed to the Minister for Resources and Energy. Senator Parer would be aware that the Joint Standing Committee on Treaties recently recommended that Australia should join the Indian Ocean Tuna Commission's inaugural meeting in December this year. As the minister would be aware, the commission has responsibility for managing tuna and billfish stocks in the Indian Ocean. Will Australia be joining the commission? If so, will it be joining in time to send a delegation to the inaugural meeting in December?

**Senator PARER**—I thank Senator O'Chee for his question. I was very interested to read the report of the treaties committee led ably by Mr Taylor on the tuna long-lining and IOTC agreements. I will be tabling a response to the committee recommendations in the new year.

I am pleased to advise the Senate that Australia has joined the Indian Ocean Tuna Commission and we will be sending a delegation to the commission's first meeting in December. The IOTC is a multilateral organisation established under the United Nations Convention on the Law of the Sea and the role of the commission is to promote cooperation between its member states on the management of the region's tuna and billfish.

A large number of Indian Ocean fishery countries are expected to be represented in the commission, including India, Japan, Sri Lanka and the United Kingdom. There are a number of major fishery resources in the Indian

Ocean. These include: yellowfin, skipjack, bigeye, albacore and southern bluefin tuna.

Senators will be aware that Australia has a strong interest in these resources, particularly the southern bluefin tuna fishery. We are already managing southern bluefin tuna through the Commission for the Conservation of the Southern Bluefin Tuna. The IOTC is obliged to cooperate with the southern bluefin tuna commission. However, it is not impossible that it will seek to have a role in managing the fishery. It is important we join the IOTC to protect the hard work and sacrifices that Australia, New Zealand and Japan have put into managing southern bluefin tuna.

Australia also has an interest in the other fisheries that will be covered by the Indian Ocean Tuna Commission. Domestic tuna fishing takes place off western and southern Australia. In addition, charter and recreational fishing occurs along our western and southern seaboard for marlin, sailfish and tuna. All of these species are covered by the IOTC agreement.

We will be urging the other countries to the commission to adopt sound, scientifically based approaches to establish the catch levels for the fishery resources in the Indian Ocean. We will also be urging the members of the commission to adopt sound environmental practices such as measures to reduce the level of bycatch of albatross and other sea birds.

Long-line fishing is the greatest threat to the albatross. Our work in the IOTC will complement my colleague Senator Hill's proposal to list 11 albatross species under the Bonn convention and the work we are putting in to develop a threat abatement plan.

Our decision to join the Indian Ocean Tuna Commission is fully supported by the commercial fishing industry, the recreational sector and the environmental movements. It is yet another example of this government's commitment to sound fisheries management which will aim to ensure that fishing is conducted on a responsible and sustainable basis.

#### **Pensioners**

**Senator DENMAN**—My question is directed to the Minister for Social Security. I refer the minister to the federal government's

announcement in the budget that a review would be conducted into the eligibility of people receiving the disability pension who have transferred from the former invalid pension in 1991. Is the proposed review leading to considerable stress and fear amongst pensioners concerned that they will in fact lose their eligibility as a result of the review? What will be the consequences for pensioners who fail to answer the letter to them about their impairment because they are too sick or unable to read the government's letter?

**Senator NEWMAN**—I have seen reports that at least one agency has claimed as Senator Denman has claimed just now. In 1991, the previous government changed from invalid pensions to disability support pensions. People who were then receiving invalid pensions were left under the arrangements as they were at that time. That has meant that anybody who received a disability support pension since 1991 has been on an administrative arrangement whereby they are required to have regular medical investigations. The people who previously were on invalid pensions have not had to do that.

One of the measures in the budget which we have tried to take right through the social security budget is the need to treat people in similar circumstances in the same way. We did not see that it was reasonable to continue to have two classes of disability support pensioners. So, as from next year, nearly all disability support pensioners will be required to have medical check-ups every two years or so. I say 'nearly all' because there are some people who have conditions which are irreversible. If they are determined to be congenitally blind, they may well not need to have a medical review.

**Senator Faulkner**—Gee, you are struggling; you really are!

**Senator NEWMAN**—You don't know anything about social security, so I would just pipe down if I were you. People over 55 years at the time of their review will be exempt if their condition is identified as manifest at the time of their invalid pension claim or if they have been medically reviewed since the disability support pension was

introduced in November 1991. They will not be reviewed because these groups of customers are significantly more likely to meet DSP medical eligibility qualifications than the group targeted for review and such reviews are deemed unlikely to be cost-effective.

**Senator DENMAN**—I ask a supplementary question, Madam President. Minister, is it not a fact that the government intends that, by shifting the goal posts, this review will drive people off disability pension, making them ineligible for other Commonwealth services, and artificially and callously drive down the waiting lists for these services?

**Senator NEWMAN**—It is a strange thing. You wonder why the previous government was moving to change the impairment tables for these medical reviews because, when the new government came in, the Department of Social Security was already well on the way to producing new impairment tables, which was at the direction of the previous government.

Since then, these impairment tables have been going out to doctors and to specialists who have a special involvement in rehabilitation medicine. As a result, yes, no doubt, there will be people who are deemed to no longer be eligible for disability support pension. But I would ask you, Madam President: is it right that the taxpayers of Australia should be continuing to pay a disability support pension for people who are not eligible for disability support pension? Eligibility for disability support pension means that they need to have more than twenty per cent functional—(*Time expired*)

### Advertising

**Senator HARRADINE**—Madam President, my question is directed to the Assistant Treasurer. Is it not a fact that the Advertising Standards Council actually stopped many advertisements which breached their codes of taste and decency from going to air, from being on TV or in the media? Is it not a fact that the advertising council now has been disbanded because the Australian Consumer and Competition Commission had a view that, inter alia, 'the codes no longer reflect community needs'? How is it that some unelected

bureaucrat in the ACCC can determine what in fact are community attitudes in respect of taste and decency in the name of competition? Minister, is it not likely that, as a result of the ACCC action, there is likely to be more exploitation of sex and violence in the advertising by irresponsible advertisers on TV, radio and the other media?

**Senator KEMP**—Like the senator who posed the question and I hope, like everyone in this chamber, I am concerned that there are appropriate standards safeguarding community interests in the area of advertising. In relation to the matters that you have raised, Senator, in Australia the advertising standards are set by the advertising code of ethics and there are specific codes relating to the advertising of therapeutic goods, slimming products and other matters.

The codes were authorised in 1988 under the Trade Practices Act. Authorisation protects the anti-competitive aspects of the codes from contravening the act. It is not up to the ACCC to set the advertising standards.

Following the revocation by the Australian Consumer and Competition Commission of the authorisation covering the Media Council's agency accreditation arrangements, the ACCC commenced a review of authorisation covering advertising codes. The Media Council has noted that the code system has been operating since 1968. Since that time it has undergone review and restructure but a new system is warranted. I understand that this view is supported by other industry organisations.

Therefore, the Minister for Small Business and Consumer Affairs has convened a forum for interested parties to discuss advertising self-regulation, which is going to be held on 10 December 1996. I read from the letter that was sent out by Mr Prosser, dated 25 November. Among other things, it says:

I am aware that advertising industry self-regulation, and the regulation of advertising standards in particular, has historically been a contentious issue and one that has often had to accommodate a range of opposing points of view. The demise of the existing system of self regulation presents us with an opportunity to take stock of the various concerns about this issue and then craft a self-regulatory

system balancing the interests of the community and industry participants.

Mr Prosser continues:

To be effective, I believe that any replacement of the present system needs to incorporate adequate industry coverage, clear rules of operation, independent, efficient complaints handling and decision making procedures, effective sanctions and with specific codes for key problem areas. Any new system would ideally be accompanied by broad community support.

He then makes an offer to key stakeholders to discuss how best to address these important issues. He is convening a forum of key parties to be held at Parliament House on 10 December 1996. I wish to assure you, Senator Harradine, that any concerns you may have will be, hopefully, addressed at that meeting.

**Senator HARRADINE**—Madam President, I ask a supplementary question. I was aware of the meeting that is taking place on that date. Senator Neal gave me a copy of a newsletter of the ACCC which clearly says that it was as a result, inter alia, of the view of the commission that the codes no longer reflect community needs. Minister, firstly, I am asking you to tell the Senate that it has nothing to do with the ACCC as to what the codes in relation to taste and decency are. Secondly, aren't we likely, in the name of competition, to see the boundaries of the advertising industry stretched to include further exploitation of sex and violence in the flogging of goods in Australia?

**Senator KEMP**—To repeat myself: it is not up to the ACCC to set advertising standards. I think that answers the particular point you have made. As you are aware, a meeting has been convened in this very Parliament House to discuss this matter.

### Superannuation

**Senator CONROY**—My question is directed to Senator Newman. In answer to a question on Tuesday, you said Labor's decision to remove the means test exemption for superannuation assets had produced a rort. On 10 September, you said that the people you were targeting in reversing the Labor government's decision were those with substantial assets of some hundreds of thousands of dollars who are dipping into the public purse. Are you

seriously telling those 67,000 Australians who will be hit by your decision—67,000 Australians who, in the main, have very modest assets they have worked all their lives to gain—that they have been dipping into the public purse over the past three years and rorting the system?

**Senator NEWMAN**—No. It seems to be difficult to get this message through to the opposition. While 67,000 as the number of people who will be affected is the best estimate, I understand from my department that most of them do have modest assets. Most of them will not be affected. There are, I believe, people who are rorting the system in amongst those 67,000—

**Senator Sherry**—How many? How many rorters?

**Senator NEWMAN**—I am not in a position to tell you how many there are.

*Opposition senators interjecting—*

**Senator NEWMAN**—Madam President, why do they ask questions if they do not want to hear the answers? The situation is, as I explained only the other day, that you opened a floodgate when you changed the rules in 1993. What has happened is that many many, millions of dollars of revenue have been lost to the Australian budget. We have to close the loophole that you opened and make—

**Senator Sherry**—Take their super.

**Senator NEWMAN**—No, we are not taking the super, and you know it.

**Senator Sherry**—Yes, you are.

**The PRESIDENT**—Order! Senator Newman, address your remarks through the chair and continue to answer the question.

**Senator NEWMAN**—I am sorry, Madam President. We are trying to make sure that everybody's assets are treated equally; that all people of 55 and over are treated equally.

*Opposition senators interjecting—*

**The PRESIDENT**—Order! There are persistent interjections from the opposition, which is totally disorderly.

**Senator NEWMAN**—Many Australians do not have superannuation, as I explained the other day, or they have very little of it. Many

of them over the years have been putting their life savings into term deposits, into a cottage, or it might be into a small business that they use for retirement. Those people all get means tested on all those assets. The only people who are not getting means tested on all their assets are the people between 55 and 65 who are claiming for a mature age allowance, et cetera.

It is not fair that some people are means tested on everything and others are not. They will not be expected to wear down their superannuation nest eggs. Depending on how much they have invested, they may have to use some of the income before they ask the taxpayer to support them. That is regarded in most places in Australia as a fair measure.

**Senator CONROY**—Madam President, I ask a supplementary question. Minister, if you are claiming that only a few of these 67,000 Australian workers have been rorting the system, why on earth are you penalising all of them?

**Senator Hill**—She didn't say that.

**Senator CONROY**—She said no. Is it beyond your imagination to devise legislation, as your colleague Senator Watson has suggested—

**Senator Hill**—You should not write your supplementary before you hear the answer.

**Senator CONROY**—You're going to end up like Dean Brown—as your colleague Senator Watson has suggested, that will actually catch people who may have been deliberately putting money into superannuation for the purposes of accessing certain government benefits? Or is it the fact of the matter that you are not at all interested in the welfare of these 67,000 workers but only in the \$225 million you are demanding from them?

**Senator NEWMAN**—As I have made clear, most people will not be affected by—

**Senator Bob Collins**—If John Watson thinks it can be done, why can't you?

**Senator Watson**—Madam President, I rise on a point of order. Is it proper that at question time people use comments made by a chair of a committee in introducing a matter

for the purpose of attempting to embarrass a minister in relation to a question before the chair? This matter was raised in a committee deliberation which was looking at this particular issue. I do not think—

**Senator Sherry**—In a public hearing! It is in the *Hansard*.

**Senator Watson**—I do not think this is a matter that is appropriate for debate in the Senate. The only reason it is in the *Hansard* is because Senator Sherry or one his colleagues raised it.

**Senator Faulkner**—Because you said it!

**The PRESIDENT**—Order! There is no point of order. Also, the interjections are disorderly.

**Senator Sherry**—Madam President, on the point of order—

**The PRESIDENT**—Order! I have ruled on the point of order. There is no point order. Also, the interjections are disorderly.

**Senator NEWMAN**—It does seem difficult to get this message through to the opposition. I will try again. Most people have superannuation assets of less than \$38,000 and they will not be touched by this measure at all. Another group of people will have minor effects from this and a few people, the people with a lot of assets, will be affected.

If the loophole that the Labor Party opened only in 1993 is not closed, then we will have a growing loss to revenue which I suppose the Labor Party, with its wilful disregard for the bottom line of Australia's budget, is happy to countenance. But the government is not happy to countenance it, because we inherited such an enormous debt that we are trying to pay off.

#### **Importation of Cooked Chicken Meat**

**Senator WOODLEY**—My question is addressed to the Minister representative the Minister for Primary Industries and Energy, Senator Parer. Today in the *Australian* newspaper Minister Anderson commented at length on the Nairn inquiry report. He also described Australian chicken growers as 'immature reactionaries'. Has the minister given the Australian chicken meat industry access to the Nairn report which he used to attack it? Did

the Minister for Primary Industries and Energy leak this report to the media so that he could put his spin on it? Will you now table the report in the Senate so we can all have the benefit of its wisdom? Will you apologise to those chicken farmers who were blasted by your minister in today's paper for daring to question an AQIS decision to allow imports of cooked chicken meat from countries with diseased chickens?

**Senator PARER**—I do not know whether Senator Woodley was away with the fairies at the bottom of the garden earlier in question time, but most of that question I answered in response to a question from Senator Bob Collins.

*Opposition senators interjecting—*

**The PRESIDENT**—Order! There is far too much noise in the chamber. If Senator Woodley did not hear something earlier it would not be surprising.

**Senator PARER**—The committee chaired by Professor Nairn has reviewed Australia's quarantine policies and programs. It completed its report and presented its recommendations to the minister on 4 November. In conducting the review, the Nairn committee consulted extensively with the Australian community, industry and relevant federal, state and territory authorities. This has been achieved through written submissions, public hearing, specific meetings and on-site briefings. I am advised that the formal review process has been most constructive and has provided the committee with a wide range of views from which to frame its recommendations.

The demonstrated commitment of Australians to effective practical quarantine has been strong and reassuring. I can confirm on behalf of the minister, as repeated in the *Australian*, that the committee has concluded that AQIS has been working more effectively than generally assumed. In the committee's words, 'Much of the criticism about the effectiveness of AQIS cannot be supported by facts.' The government will consider the Nairn committee's—

**Senator Woodley**—Madam President, I raise a point of order. I was trying to give the

minister some time. I realise he has not got a brief on this one. The questions were: has the chicken industry been given access to the report that was used to attack it, will you apologise and did the minister leak the report? Those were the questions.

**Senator PARER**—The minister is not in the habit of leaking any reports. It might be worth while if I give you the remaining answer to the question. The government will consider the Nairn committee's report along with the Senate Rural and Regional Affairs and Transport Legislation Committee's recommendations concerning AQIS and the review of the meat inspection program prior to a decision being made by the Government about the future operations of the organisation. The minister expects that he will be releasing the report publicly within the next fortnight and then there will be at least two months for full public comment on the report's findings.

**Senator WOODLEY**—Madam President, I ask a supplementary question. No, minister, that answer did not help me. I will put the same question in a different way. What I am asking you is: has the Minister for Primary Industries and Energy shown contempt for Australian farmers by blasting them in the media for daring to question a quarantine decision while denying them access to the Nairn report to which journalists were given access to?

**Senator PARER**—I have no intention of apologising on behalf of Minister Anderson. Minister Anderson is a first class minister for primary industries as is attested to. I am amazed! This comes from the Democrats who ran around the place in their pre-election campaign talking about slugging rural people. They have no interest whatsoever in the rural community. They are the party of high taxation. Their close friend and colleague Senator Brown put out a press release saying that he really supported an increase in taxation. We know where that lot who sit over there stand.

**Senator Bob Collins**—Madam President, I raise a point of order. Senator Woodley has not managed to get the minister's attention. Senator Woodley's question related to the

fact—and I regret to say that the Minister for Primary Industries and confirmed this in question time today—that the minister referred to leaders who had the temerity to stand up for their own Australian industry as ‘immature reactionaries’. That was the question Senator Woodley asked the minister. I ask him to answer it.

**The PRESIDENT**—Order! There is no point of order. I think Senator Parer has been distracted by so many interjections which make it difficult.

**Senator PARER**—I will repeat for the record that Minister Anderson in fact agreed—(*Time expired*)

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

#### **Aircraft Incident**

**Senator ALSTON**—Yesterday in question time, Senator Bob Collins asked me a question relating to an aircraft incident. I seek leave to have the response incorporated in *Hansard*.

Leave granted.

*The response reads as follows—*

#### **MINISTER REPRESENTING THE MINISTER FOR TRANSPORT AND REGIONAL DEVELOPMENT**

#### **SENATE QUESTION**

#### **Aircraft Incident**

#### **(Question without Notice)**

**Senator Alston**—Yesterday in Question time, *Hansard* page 5906, Senator Collins asked me, as Minister representing the Minister for Transport and Regional Development, a series of questions relating to an aircraft incident, and I seek leave to have the response incorporated in *Hansard*.

- (1) Can the Minister confirm that a PA31 aircraft participating in a search and rescue precision aerial delivery system, or PADS, training exercise off Jervis Bay on 10 November was involved in a serious incident that almost resulted in the loss of the aircraft?
- (2) Can the Minister also confirm that the PADS training program has been suspended as a result of this incident?

- (3) Could you also ask the Minister to provide to the Senate as a matter of urgency the incident report relating to this incident that was made to the Bureau of Air Safety Investigation, the SAR training occurrence report and the video taken of the training exercise?

I provide the following answers to the Honourable Senator's questions:

The Minister for Transport and Regional Development has been advised by Airservices as follows:

- (1) A PA31 Aircraft involved in PADS training did have an inflight emergency situation on 10 November. This was not as a result of PADS equipment but apparently occurred as a consequence of the pilot inadvertently selecting the auto pilot during an approach to Nowra Airport. The incident has been referred to the Bureau of Air Safety Investigation and Civil Aviation Safety Authority.
- (2) PADS training was not suspended as a consequence of this incident. The flying program continued later in the day. As a consequence of unexplained equipment failures during the PADS training drops Airservices have suspended PADS training until the issues have been resolved. It is not as yet determined whether the failures were due to operational inexperience or due to deficiencies in the equipment.

Airservices is working with SAR Pty Ltd to resolve the problems to enable recommencement of training and implementation. Civil search and rescue coverage will be maintained using the existing supply dropping system while the PADS issues are resolved.

- (3) The incident report relating to this incident that was made to the Bureau of Air Safety Investigation is tabled as part of this answer. Airservices has advised that no SAR Training Occurrence Report has been submitted. Airservices has advised that it does not have video footage of the incident in question.

Although the Minister's office lent support to the Airservices proposal for a fly off between the SAR Pty Ltd PADS system and the Airservices supply drop system, the Minister was in no way involved in the subsequent decision by Airservices to purchase PADS units. Airservices has received no representations regarding the purchase of PADS from the aircraft Owners and Pilots Association.

## ATS ESIR—INFLIGHT EMERGENCY

REFERENCE: MLS 00150  
 TIME: 9611100430 (UTC)  
 UNIT/DISTRICT: STH SAR/V  
 LOCATION: JERVIS BAY

	1st Aircraft	2nd Aircraft
Radio Callsign	VH-LCE	
SSR Code-where applicable		
Aircraft Type	PA31	
Registration	VH-LCE	
Flight Number		
Owner/Operator	NAVAIR	
Phone Number		
Flight Category (I/V)	V	
Single Pilot IFR	N	
Type of Operation	G	
Conditions (I/V)	V	
Last Departure Point	Jervis Bay	
ATD (UTC)	0415	
Intended Landing Point	Jervis Bay	

Wind Direction/Speed: SOUTH/20 APPRX

Visibility: 9999

Cloud: NIL SIG

Airspace Owner	RAN
Airspace Type	
Breakdown of Separation	N
Airspace Penetration	N
Runway Incursion	N
SIMOPS Related	N
Was ATS training involved	N
TCAS Resolution Advisory	N

Your Name: MIKE BARTON

Designation: SSARO

Location: MELBOURNE

Phone Number: 03 93392478

ground revealed the autopilot had somehow been turned on during the flight.

REFERENCE: MLS 00150 VH-LCE

DATE: 9611100430

## EXECUTIVE SUMMARY

During SAR training with Airservices Australia and Navair at Jervis Bay, VH-LCE of which I was the dropmaster of a crew of 4, appeared to have uncommanded control inputs over which the pilots had to fight to gain control. An emergency landing was effected at Jervis Bay, however I was unable to get to a seated position with the seat belt attached for the landing. Investigation on the

## DESCRIPTION OF INCIDENT AND RELEVANT CIRCUMSTANCES

Over the weekend 9/11/96—10/11/96 I was involved in a training exercise at Jervis Bay organised between Airservices Australia and Navair to teach Pilots and dropmasters the new Precision Aerial Delivery System (PADS) which has been purchased so that we in turn could instruct others in the System. On the particular flight in question I was nominated dropmaster and Jim Atkinson was my dispatcher with Jake Jacobsen as pilot in

command and Rod Andrews in the right pilots seat to deliver instruction to Jake on PADS. After successfully completing the dispatch of the first of three loads, Jim and I were preparing the next load for delivery, when Jim noticed Rod Andrews gesturing from his seat for us to take our seats quickly. I had my back to the pilots at this time and did not see this, Jim and myself were in contact with the pilots through radios strapped to our bodies using 123.1Mhz as a defacto intercom and I did not hear any call of an emergency. The aircraft at this stage was at approximately 200 ft high and was on the base leg of the PADS pattern. Jim and I hurried to our seats, I released Jim from his safety line and he fastened his seat belt, I was only able to get into the seat by the time we had landed, I was not able to release my safety line or have time to connect my seat belt. On moving forward to our seats we could see that the pilot had been able to position the aircraft for a cross wind landing and I judged from our position that we were going to make the runway for a landing as I was being seated. I cannot be completely sure, but I believe it was during the landing roll that the pilots discovered that the Auto pilot had been inadvertently turned or knocked on. After a short break on the ground, the remainder of the flying program continued.

#### COMMENTS AND SUGGESTIONS

Dropmaster harnesses should be fitted with quick release mechanisms for the safety lines.

Wired, voice activated intercoms should be used at all times.

Crew seats should be aft facing to allow quick seating during an emergency.

Pilot procedures and instruction for this type of operation need reviewing.

Distribution:

TO: John Guselli (ATS OCCDATA)

TO: Graham Giddey (GIDDEY G AT AI AT A1VIC)

TO: Tony Marshall (MARSHALL T AT AI AT A1VIC)

T O : E S I R S E ( E S I R SE@exchange.Casa.gov.au@interne)

#### Mr Max Moore-Wilton

**Senator ALSTON**—In question time yesterday, Senator Faulkner asked me a series of questions relating to Mr Max Moore-Wilton. I seek to leave to have an additional response incorporated in *Hansard*.

Leave granted.

*The response reads as follows—*

#### MINISTER REPRESENTING THE MINISTER FOR TRANSPORT AND REGIONAL DEVELOPMENT

#### SENATE QUESTION

Mr Max Moore-Wilton

(Question without Notice)

**Senator Alston**—Yesterday in Question Time, *Hansard* page 5907, Senator Faulkner asked me, as Minister representing the Minister for Transport and Regional Development, a series of questions relating to Mr Max Moore-Wilton and I seek leave to have the response incorporated in *Hansard*.

- (1) Whether Mr Max Moore-Wilton is subject to confidentiality requirements with regard to his previous job as a negotiator on National Rail matters on behalf of the New South Wales government.
- (2) Is he in a position to use information gained from that job to now assist the Commonwealth in National Rail matters.
- (3) Whether he is also bound not to disclose information derived from his job at the Victorian Public Transport Corporation.
- (4) What steps will the Minister for Transport and Regional Development be taking to exclude Mr Moore-Wilton from any role in negotiations on matters relating to National Rail.
- (5) Given that the Victorian Government will be considering its attitude to the sale of the Commonwealth interest in National Rail and the fact that Mr Max Moore-Wilton is chairman of the Victorian Public Transport Corporation and Secretary to the Department of the Prime Minister and Cabinet, does a conflict of interest situation arise.

I provide the following answers to the honourable senator's questions:

- (1) No.
- (2) The Minister for Transport and Regional Development not Mr Max Moore-Wilton is responsible for the Commonwealth's involvement in National Rail Corporation Limited.
- (3) No.
- (4) The Minister for Transport and Regional Development is responsible for negotiations relating to the Commonwealth's position on National Rail Corporation Limited. It is not envisaged that Mr Max Moore-Wilton will be involved in those negotiations.
- (5) No. See also answer 4.

### Budget 1996-97

**Senator FAULKNER** (New South Wales—Leader of the Opposition in the Senate) (3.08 p.m.)—I move:

That the Senate take note of the answer given by the Leader of the Government in the Senate, (Senator Hill), to a question without notice asked by Senator Heffernan today, relating to the effect of amendments made by the Senate to budget legislation.

I do that because I really believe it is the height of hypocrisy for Senator Hill or, for that matter, any Liberal or National Party minister or member of the government, to come into this Senate chamber and talk and squeal about the Senate modifying the government's budget.

Yesterday, in Melbourne, the Treasurer (Mr Costello) accused the Labor opposition of vicious nitpicking. They were the words he used—'vicious nitpicking'. That was from Mr Costello of all people, claiming that the Senate had had an effect on the bottom line of the budget of some \$200 million as a result of the changes that were made to the migrant waiting period legislation.

At virtually the same time we had Senator Newman in this chamber claiming that the impact on the bottom line of the budget was \$400 million. Today we have Senator Newman and Mr Costello in a really excited lather both trying to say that the other was right—that one was right saying \$200 million and the other was right saying \$400 million. They were not right yesterday and they are not right today.

I do want to address this issue of so-called vicious nitpicking of the Senate. It is absolutely hypocritical to the extreme for the Liberal Party to be talking about this, given what they indulged in when they were in opposition and the Labor Party was in government. You only have to go back to the 1993 budget, the Dawkins deficit reduction budget, to see the proof of the pudding. That was a budget brought down by a newly re-elected Labor government, which brought forward budget measures to reduce the budget deficit by some \$9.1 billion by 1996-97.

What was the attitude of Senator Hill and Senator Alston and all the other Liberal Party

and National Party senators to that budget? It was not vicious nitpicking at all; it was unabashed, unadulterated sabotage. That was what the Liberal Party were about at that time. They opposed four major revenue measures—an incredible \$10.2 billion of fiscal consolidation over four years—and they put on a song and dance yesterday about amounts of money they could not agree on, \$200 million and \$400 million.

Those opposite talk about Senate powers. In August 1993, someone said:

The Senate has a perfect right to determine the way in which it will process legislation.

Who was it? John Howard. In the same month, August 1993, someone else said:

I believe the Senate deserves respect, as is provided for under our standing orders.

... ..

It deserves respect, as provided for under our constitution and under the conventions of the Westminster system. Who was it? Tim Fischer. And try this for size, try this for hypocrisy in the extreme. Again, in August 1993, someone said:

If we could, the opposition would try to operate the House of Representatives in such a way as the representatives had the opportunity to scrutinise legislation, time to amend it, time to debate it, time to consider it, and time to do the job for which parliament exists. It is happening in the Senate—and good on it.

Who was it? Peter Costello—the same Peter Costello who is talking about the Labor Party and Senate nitpicking.

**Senator Bob Collins**—Hypocrite!

**Senator FAULKNER**—He is a hypocrite. He is one of the greatest hypocrites in Australian political history.

**The DEPUTY PRESIDENT**—Order! Senator Faulkner, you will take a seat!

**Senator Faulkner**—I will.

**The DEPUTY PRESIDENT**—You certainly will. Senator Faulkner, take a seat.

**Senator Faulkner**—I am leaving the chamber.

**The DEPUTY PRESIDENT**—You will take your seat.

**Senator Faulkner**—Why will I take a seat?

**The DEPUTY PRESIDENT**—When you take a seat I will tell you. Firstly, you will withdraw the word ‘hypocrite’ in relation to a member of the other House. Secondly, I have told you on a number of occasions you will use the proper form of address when you are referring to members of the other House. You will withdraw the word ‘hypocrite’.

**Senator Faulkner**—Mr Deputy President, if I have used an unparliamentary word I will withdraw it. If you are ruling that ‘hypocrite’ is unparliamentary—

**Senator Abetz**—Of course it is.

**Senator Faulkner**—It has been used in this chamber on umpteen occasions. But if you rule it is unparliamentary, I will withdraw it. If you tell me who I referred to improperly in terms of a member of the House of Representatives, I will withdraw that. But I ask you to inform me who I referred to improperly or in an unparliamentary manner.

**The DEPUTY PRESIDENT**—You may read the *Hansard* in relation to the person.

**Senator Faulkner**—In that case, Mr Deputy President, I will not withdraw it unless you can tell me who I referred to in an unparliamentary manner.

**The DEPUTY PRESIDENT**—I was not indicating to you that you should withdraw in relation to the proper form of address that should be used for members of the other House. I was reminding you that you should. You used the word ‘hypocrite’ and I ask you to withdraw that.

**Senator Faulkner**—On a point of order: I do not need to be reminded by you how to refer to members of the House of Representatives. I have not done anything improper in relation to that. I do not need to be reminded by any Presiding Officer how to address you or anyone else. I make the point, Mr Deputy President, that if I use unparliamentary language or forms of address I will always withdraw it—I always have. But I do not require to be reminded by the chair, by the Deputy President or any other Presiding Officer, how to refer to any other senator or member of the House of Representatives.

**The DEPUTY PRESIDENT**—Order! Senator Faulkner, you obviously do, because

I have reminded you on previous occasions. Do I take it that you have withdrawn the word ‘hypocrite’?

**Senator Faulkner**—Yes, I have withdrawn it.

**Senator ABETZ** (Tasmania) (3.15 p.m.)—I think the little scene that we have just witnessed—the bad manners, the bad grace and the poor taste—is indicative of the fact—

**Senator Schacht**—Is he making a point of order?

**Senator Bob Collins**—Mr Deputy President, on a point of order: can I seek clarification from the chair?

**The DEPUTY PRESIDENT**—Senator Abetz is speaking to the motion before the chair.

**Senator Bob Collins**—What motion is that?

**Senator ABETZ**—To take note—

**Senator Bob Collins**—Mr Deputy President, with respect, I am simply seeking, as we can do, your clarification on what is before the chair. That is what I am seeking.

**The DEPUTY PRESIDENT**—The motion before the chair is that the Senate take note of an answer.

**Senator Bob Collins**—Thank you.

**Senator ABETZ**—Mr Deputy President, I would ask that my time commence again, given the interruption. Isn’t it interesting that, in the little fracas we have just witnessed, the opposition did not even realise there was a motion before the chamber moved by their own leader? That is how much notice they take of this man who has shown us a display of bad manners, bad grace and poor taste.

**Senator Forshaw**—On a point of order, Mr Deputy President: could I ask you to bring Senator Abetz back to the issue that is before the chair, which is that we take note of the answer. I might also ask you to remind Senator Abetz that, when he rose to his feet to speak, he did not indicate that he was actually speaking to the motion to take note at all.

**Senator Bob Collins**—That is right. I knew there was a motion before the chair.

**Senator Forshaw**—He just stood up and proceeded to attack the Leader of the Opposition. It was on that basis that Senator Collins rose and requested you to clarify whether Senator Abetz was speaking to the point of order or speaking to the motion to take note.

**The DEPUTY PRESIDENT**—Order! The honourable senator stood after he received the call. Therefore, he was speaking to the motion. He will now continue his contribution.

**Senator ABETZ**—Thank you, Mr Deputy President. It is quite obvious that the opposition is really embarrassed about their performance in this place. They do not want to be reminded, not of what people on our side of politics have said about the Labor Party tactics on this budget, but of what their own colleagues say—people such as the Premier of New South Wales, the Hon. Bob Carr. After the Lindsay by-election rout, he had this to say: ‘I don’t think that Labor can attempt to rule this country from a minority position in the Senate and I think we’ve got to accept that we are in opposition.’ I move to what his Treasurer, the Hon. Michael Egan, has told us. He said, ‘More debt now simply means bigger interest bills in the future and fewer dollars to spend on hospitals, schools and roads, and all our other key priorities.’

The message of the Labor Premier of New South Wales, the message of the Labor Treasurer of New South Wales and the message that we as a government are trying to get across to the Labor opposition in this place is that they are not the government any more. If they continue with their budgetary vandalism, as they have indicated they will, the consequences that Michael Egan predicted will flow. The people of Australia will be the ones that suffer.

**Senator West**—Eric, you are a pain in the neck.

**Senator ABETZ**—I can understand that I cause some concern to the honourable senator opposite, but I know that I would never be a pain in the honourable senator’s brain because I doubt that there is one to pain.

**Senator West**—No, neck.

**Senator ABETZ**—The *Bulletin* in recent times, courtesy of former Labor Senator

Graham Richardson, has indicated: ‘The electorate does not want to have anything to do with them or their party’—referring to the Labor Party. When will the message finally get through to those on the other side?

Today in my brief contribution I have not had to refer to one person on the Liberal side of politics. I have been able to refer to a former Labor minister, I have been able to refer to the current Labor Premier of New South Wales, and I have been able to refer to the current Labor Treasurer of New South Wales—all of them telling those opposite how to behave in relation to budgetary responsibility for this nation and how to deliver the goods for the benefit of all Australians.

Why is it that they do not even listen to their own side? After such an overwhelming election rout that they suffered on 2 March, compounded again with the Lindsay by-election—even more of an overwhelming result than we achieved on 2 March—they have the advice of all their Labor comrades telling them how to behave and they still cannot grasp the fundamental issues. The reality is that we came to government with a number of promises based on Mr Beazley’s hand-on-his-heart promise as Minister for Finance that the budget was in surplus.

Every single Australian now knows—except those opposite it would appear—that when we came to office we inherited a multi-billion dollar deficit which we had to correct. We have gone about that in such a way that the Australian people have voted this budget which has just come down as the most successful budget in decades, and still the Labor Party in this place does not want to listen. The performance of the Labor Party’s leader only some five minutes ago in this chamber really indicates the depths to which this Labor opposition has descended.

**Senator KERNOT** (Queensland—Leader of the Australian Democrats) (3.21 p.m.)—I think we should put the claims of the Treasurer (Mr Costello) into context. As I said in my question, we had to remind the Treasurer that in the past few days the Senate has passed the government’s three big ticket items: the appropriation bills, the states grants general purpose bill and the family tax bill.

**Senator Panizza**—That is done every year.

**Senator KERNOT**—The importance of that, Senator Panizza, is that this amounts to more than \$10 billion worth of deficit reduction: \$8.5 billion in appropriations and \$1.5 billion in cutbacks to states grants. The decision to reject the imposition of a two-year waiting period on certain social security benefits for migrants affects just 0.035 per cent of expected budget outlays. The reality is that the rejection of those measures will not affect interest rates, as the Treasurer claims. The effect on the budget outcome of this particular action is minuscule.

The Treasurer is also failing to take into account that the Democrats have said they will support anti tax avoidance measures worth \$3 billion over four years. There are about \$2 billion worth of proposed health savings. With regard to what Peter Costello is saying, we have heard it all before. We heard it from Prime Minister Paul Keating—the same language, the same bullyboy tactics. It is part of the post-budget ritual. It is a regrettable part of the ritual and I suppose it might scare some people but it is dishonest.

You do not hear Treasurer Costello talking about the \$18 billion worth of damage he was willing to cause to Labor budgets during their last three years in office. I would like to remind him. In 1993, the coalition voted for \$8 billion of unfunded tax cuts. They voted against \$4 billion worth of tax measures in the 1993 budget designed to address what the Labor Party saw as a necessary deficit reduction strategy. In the 1993 budget the coalition voted against changes to the Medicare levy worth \$1 billion over four years and the company tax increase worth \$4 billion over four years. They voted against tighter targeting of research and development tax concessions worth \$400 million over four years. They voted against restoring sales tax rates on motor vehicles worth \$1.5 billion over four years and they voted against a building tax, as we did, worth \$1 billion over four years.

It was okay for them to do that in opposition but it is not okay for this opposition to do anything. All told, just last year, the then opposition tried to block measures worth nearly \$8 billion over the next four years.

That was on top of the measures worth \$4 billion a year, \$16 billion over the next four years, from the 1993 budget.

We do not need the Treasurer of this country to give us an earful about responsible Senate behaviour or to threaten taxes. The fact is the only way there will be new taxes is when states will be forced to resort to some kind of taxation because this same Treasurer has ripped \$1.5 billion out of state budgets over the next four years. He is putting taxes up already. He is doing it by proxy. He is making the states do it.

The other way in which this budget is already, in a de facto way, imposing taxes is through the hip pocket, by making people pay extra for child care, public schooling and dental care. There is more than one way to impose a tax. This is a private tax, if you like. It is making the costs private instead of paid for by the community through what should be a fairer system of raising revenue.

Let us talk about the long term. Let us talk about creating future jobs in this country and about future exports. What this government is doing by attacking public schools, by hiking up university fees, by cutting the money available for research and development, by cutting good jobs programs like NIES, by reducing export assistance, is causing huge medium and long-term damage. That is what the Senate is entitled to draw attention to. This budget, far from being economically responsible, is economically damaging.

But above all, let us not forget the commitment by the Prime Minister (Mr Howard) to the people of Australia: if forced to choose between election commitments and an unexpected budget deficit, he would choose his commitment to the people of Australia over an accelerated budget deficit. He is not doing that; \$12 billion worth of broken promises, and this Treasurer has the hide to lecture this Senate about its role!

**Senator PATTERSON** (Victoria) (3.26 p.m.)—It never ceases to amaze me that on 2 March the majority of Australians in an overwhelming majority of seats—in fact, one of the largest majorities since Federation—gave a message to the Labor Party and the Democrats, and that was reiterated again,

loudly and clearly, in the Lindsay by-election, that the Australian people had got the message and expressed their concern that we could not continue to live on the national bankcard. They understood that we could not continue to borrow and borrow; that, in the end, the chickens would come home to roost in the form of the International Monetary Fund and that the next generation would be paying back the debt that we were racking up on the bankcard. That was what Australians understood. What we have tried to do in the budget is reduce spending in a fair and equitable way.

What happened when the 1995-96 budget came down? The Labor Party told us it would be something like \$720 million in surplus.

**Senator Panizza**—That did not last long.

**Senator PATTERSON**—As Senator Panizza says, that did not last long. In December 1995, they said, 'Whoops, we got it wrong, we will only be in front now by \$115 million.' So it slid from \$720 million in the budget to \$115 million in December 1995. We then asked and asked, so that the Australian public could know before the election, what the real situation was. Were we told? Were the Australian people told? No. What happened afterwards? We found that there was a huge deficit.

Not only has Labor spent money which Australians did not have; the other atrocious thing that happened was that when they sold off Qantas and the Commonwealth Bank, none of that money was used to retire debt—not one scintilla of it, not one cent, was used to retire debt, to take off the backs of Australians the burden of the interest rate on public debt.

Australians need to be reminded over and over again that, on the public debt—it does not include private debt—which was mostly racked up by the Labor Party over 13 years, we pay \$10 billion a year in interest. That is \$10 billion that we do not have to spend on dental programs; \$10 billion that we do not have to spend on the environment; \$10 billion that we do not have to spend on programs for homeless youth; \$10 billion that we do not have to spend on all the programs which many of us in this chamber would like to see.

As I have said before, Labor in government were profligate. All they would do is spend. They could not actually reduce spending. It is not easy to reduce spending. There is pain. It is difficult. But if we do not do it now, the next generation—those young people sitting up in the gallery now—will be the ones paying it off. They will be the ones who will have the debt hanging around their necks. We were talking about albatrosses earlier today in the chamber. They will have an albatross around their necks for the rest of their lives—a debt that they cannot afford.

This will be in addition to an ageing population, in addition to a baby boom that is going to require more expenditure. We have an added expenditure with the increasing need of an ageing population. We have a debt that the Labor Party was prepared to keep chalking up and chalking up.

We need to tackle that debt problem. That is what the Australian people realised on 2 March. They knew that we could not keep living beyond our means. They knew that we would have to make some hard decisions. The response to the budget has been an acceptance and an understanding that it would not be easy, that we would have to take some hard decisions. But in the end, in the long-term vision for the future, the fact is that, when the young kids like the kids up in the gallery are growing up in the next 30 to 40 years, they will not have to live with the burden of a cumbersome debt that places them at risk, our integrity at risk and the situation of our country at risk.

It is interesting that former Senator Richardson said that Labor does not understand. In the *Bulletin* of a couple of weeks ago, he said:

Voters in the Sydney western suburbs seat of Lindsay have confirmed the worst fears of diehard Labor supporters. The electorate doesn't want to have anything to do with them or their party.

He was right.

**Senator SHERRY** (Tasmania—Deputy Leader of the Opposition in the Senate) (3.32 p.m.)—I want to continue the theme of hypocrisy that our Senate leader made some early comment and reference to in quoting a number of very substantial comments. The

people of Australia know who the hypocrites are in this debate. We had the incredible, arrogant comments yesterday from the Treasurer (Mr Costello). I refer to the \$200 million or \$400 million in outlays. I say '\$200 million or \$400 million' because there is a conflict between the Minister for Social Security (Senator Newman), who says it is \$400 million, and Mr Costello, who—almost at the same time—said it was \$200 million. He threatened that this would lead to perhaps higher taxes, that interest rates would go up and a range of other economic calamities would result.

Before I go into some detail on that, let us look at this issue of hypocrisy. I refer to a general comment made in September 1993 by a now leading member of the government. It relates to the use of the Senate and the role the Senate should play in dealing with budget measures. This was said:

The fact is, our system of government is not an authoritarian, autocratic, dictatorial system, but a parliamentary system, where all Australians are represented on the floor of the Parliament by their representatives, and they're entitled to a say and they're entitled to a vote.

The same person went on to say:

The truth is nobody here is saying the Budget is going to be wrecked or blocked. What we're saying is that we will oppose the most pernicious measures in this budget which will cost this country jobs . . .

Then that same person said:

. . . what's the point of having the Parliament? What they're effectively saying is that we should eliminate the Parliament and make Mr Keating and Mr Dawkins the virtual dictators of Australia until there is another election.

Who made these comments about the 1993 budget? It was the then shadow Treasurer, the Minister for Foreign Affairs (Mr Downer). He made these comments when they were trying to knock over, and eventually did, \$10.2 billion—not \$200 million or \$400 million—of fiscal consolidation over four years. That was Mr Downer.

Where is Mr Downer today? The government is a little embarrassed. He is overseas. He is no longer shadow Treasurer. Where are his comments today in respect of \$200 million or \$400 million in consolidation? The

fact is the Labor opposition has taken a position on principle in respect of a number of the matters of budget expenditure that are proposed—budget reductions, budget cuts. They relate to a range of issues, not just to broken promises—and they are broken promises.

The government had the gall to publish a document in the budget papers called *Meeting our commitments*, which lists as one of the commitments cuts in funding to the ABC. I am sure Senator Schacht will make some comments about that. It lists as one of its commitments, meeting its promises, cuts to the ABC. There is a whole range of other cuts outlined as commitments that clearly breach undertakings given by the now Prime Minister (Mr Howard) in that John Laws interview a couple of weeks before the election. Mr Howard, when asked about the proposition that there could be a substantial deficit when they got into government, gave the commitment that they would keep their promises and they would not reduce expenditure in a range of areas.

This Labor opposition has decided on principle that it will not support areas like higher education cuts, cuts to child care and cuts to the ABC. Labor in principle will not support those sorts of cuts in the Senate. We are adopting the same principle that the now government adopted in 1993. We do not make any apologies for that.

On this issue of broken promises, we heard time and time again from the now government in the lead-up to the election that there would be no increases in existing taxes. What did we get? We got tax increases called surcharges. The biggest single item of revenue increase in the budget is a surcharge on superannuation—half a billion dollars a year. They call it a surcharge now, not a tax. There are other examples, like the reef tax. There is the issue of taxation. In 1995-96, total tax revenue was \$116 billion. What will it be under this so-called low tax government in 1999? It will be \$151 billion. What will the percentage of gross domestic product be? It will be 23.9 per cent, going to 24.5 per cent of gross domestic product.

**Senator PANIZZA** (Western Australia) (3.37 p.m.)—I rise to take part in this debate, for the very limited time that is left, to address some of the points that have come up today. Senator Patterson was saying that the final Labor budget gave us a supposed \$720 million surplus. It has lasted approximately two months—I would say by December. If it was right, Senator Bishop, we were back to about \$115 million, \$120 million. But what is half a billion dollars between friends? It only took to December, with the budget hardly in place. Normally the budget would be passed and would be going. We were down to supposedly \$115 million surplus, which in the context of a federal budget is very little.

When we took government at the end of the election, we found that the budget deficit had blown out to \$10 billion. Has Labor learned anything from that? All parties have post-mortems when an election is over and Labor certainly had theirs. What came out of this? According to the National Review Committee:

We failed to recognise or address a deep seated mood of community anxiety and grievance . . . there was a perception that we stopped listening and that we stopped talking to electors.

What did Gary Gray have to say? 'We couldn't run on our record because our record stunk.' That is coming from the deep heart of the Labor Party itself. Have they taken any action to reverse this sort of thinking? They haven't. It is still, 'Put it on the bankcard.' Labor, with the help of the Democrats and the Greens, wiped off something like \$500 million in the last couple of days—give or take a few million dollars.

**Senator Kernot**—Over how many years?

**Senator PANIZZA**—Over a few years, but there is more to come. Anyhow, we have wiped it off.

**Senator Sherry**—A few hundred million here or there?

**Senator PANIZZA**—The principle is the same.

**Senator Sherry**—You will never be Minister for Finance. Minister for shares, maybe, but not Minister for Finance.

**Senator PANIZZA**—I can look after my finances, thank you. Don't worry about that.

The point is that the philosophy has not changed. If you haven't got that sort of money, if you want to cut that off the budget, then just put it on the bankcard. The philosophy is, 'Put it on the bankcard.' I remind the Senate that this budget was accepted by all Australians as being a very responsible budget. Even Senator Sherry can't deny that.

**Senator Sherry**—I do.

**Senator PANIZZA**—You haven't done much in this place to justify your position, though. But 59 per cent judged it to be positive for the economy, 65 per cent expressed satisfaction with it, 77 per cent viewed the budget as average or better and—wait for it—60 per cent of Labor supporters supported the budget. Fifty nine per cent of respondents believe that funding cuts and increased charges are necessary to cut the deficit.

**Senator Sherry**—Polls change.

**Senator PANIZZA**—Except for the die-hards, that is almost total acceptance. Talking about polls, only yesterday the latest news poll showed that the voters clearly rate Mr Howard as far better equipped to handle the Australian economy: 54 per cent to Mr Howard and only 22 per cent to Mr Beazley.

**The DEPUTY PRESIDENT**—Order! The time for taking note of answers has expired.

Question resolved in the affirmative.

## MATTERS OF URGENCY

### Global Warming

**The DEPUTY PRESIDENT**—The President has received the following letter from the Leader of the Australian Democrats (Senator Kernot):

Dear Madam President,

Pursuant to Standing Order 75, I give notice that today I propose to move:

'That in the opinion of the Senate the following is a matter of urgency.

The Coalition Government's failure to seriously address the threat of global warming and its consequences.'

Yours sincerely,

Cheryl Kernot

Leader of the Australian Democrats

Is the proposal supported?

*More than the number of senators required by the standing orders having risen in their places—*

**The DEPUTY PRESIDENT**—Order! I understand that informal arrangements have been made to allocate specific times to each of the speakers in today's debate. With the concurrence of the Senate, I shall ask the clerks to set the clocks accordingly.

**Senator KERNOT** (Queensland—Leader of the Australian Democrats) (3.42 p.m.)—I move:

That in the opinion of the Senate the following is a matter of urgency: the Coalition Government's failure to seriously address the threat of global warming and its consequences.

I rise to speak on behalf of the Australian Democrats. I do believe, obviously, that this coalition government's failure to seriously address the threat of global warming and equally its consequences is a matter of very great urgency. Greenhouse emissions are the most serious global issue that we face today. David Suzuki, in his inimitable way, has called it the 'mother of all environmental issues'. The Democrats agree with him.

It is a matter of urgency not only in the opinion of the scientific community but also in the opinion of the community of nations. Yet our government is quite happy to assert that 99 are out of step and not the one; not us—in this case, Australia. For those who watch the Senate closely, we heard a lot from the coalition ministers about reliance on scientific evidence—government claims, for instance, that the opinion of a handful of scientists is good enough to risk the exploitation of fish in some of the few remaining protected areas of the Great Barrier Reef.

Even today, Senator Parer—not answering questions on the threat to the chicken industry—said that the government would rely on science for their decisions. Yet they are willing to snub the considered opinion of 2,500 international scientists when it is inconvenient to them.

When 2,500 scientists and climate change experts released their conclusions about global warming earlier this year, it was enough to shock 134 countries in the world into action. Those countries have promised to develop a

framework for legally binding targets for reduction of greenhouse emissions. What did the Australian government do? It put up a weak and internationally embarrassing argument that the world should not have legally binding targets. Overseas, we, the people of Australia, reflected in the actions and arguments of the Minister for the Environment (Senator Hill), looked disgraceful. I know the government tried to market the trip as a big success and we all read the press releases from the business cheer squad—the vested interests, the ones that benefit from this decision—but Australians were not fooled.

Many of us read the speech from the British Minister for the Environment where in three pages he openly criticised our Minister for the Environment twice for saying that we should be thinking about action. He said to our minister in front of all the delegates that the time for thinking is past and the time for action is now. When you read the conclusions of the Intergovernmental Panel on Climate Change, you can see why: the deaths of millions of people, increased diseases, sea level rises, loss of biodiversity and productive agricultural land, loss of boreal forests and loss of entire cultures.

This demands urgent and considered action, not excuses or delays. It means mandatory reductions in greenhouse gas emissions; it means tackling problems honestly and head on; and it means making decisions. This government says, 'Yes, we make the tough decisions.' Well, some tough decisions are required on this issue. It means making tough decisions on industrial and domestic fossil fuel use. It means making tough decisions about land clearing and it means making some clever and sensible decisions about renewable energy use.

I think we all understand that much of this government's greenhouse policy is dictated by the mining industry and the heavy energy users; and that it is based on lowest common denominator movement, backed up with what I think is some really questionable modelling from ABARE. I must ask, again, Minister, whether that is going to be tabled. It is important that it be available for public scrutiny. If we are going to have strong assertions

made here about the impact of mandatory targets on our industries and job losses, we want to know what assumptions you put into that modelling. I need to remind us of a quote from the speech by the Minister for Resources and Energy, Senator Parer, on 12 September this year. He said:

Policies on greenhouse gas emissions, native title, environmental law, mineral export controls and uranium mining were part of a concerted push by the Federal Government to remove impediments from the mining industry.

There was nothing about long-term responsibility for the rest of Australians, just the considered and deliberate action on behalf of one sector of our community. Yes, it is an important sector but the responsibility of this government is to balance competing vested interests and not take sides with one sector only.

What we hear in justification for this favouritism, this ignoring of the rights of the rest of Australians for clean air and long-term sustainability is, 'We won't do anything that will cost Australian jobs.' That sounds like a reasonable argument. However, what we need to ask is: how and why do you choose coal mining industry jobs over 20,000 Telstra workers' jobs or 15,000 public servants' jobs? These are real life jobs which your government has chosen to dump—but they are not as important, are they?

How can you ignore the reality that the coal industry has already lost 40 per cent of its jobs in the last 12 years without a single mention of greenhouse? Also, the ABARE model, which the minister for resources is so happy to peddle around, has already been heavily criticised because it was assumed there would be no change whatsoever in fossil fuel dependent industries; no move towards pollution prevention technology; no development and implementation of energy efficient tools; no increase in renewable energy use; and no growth in jobs in those areas.

This modelling did what you would expect from this world view coalition; it looked only at the costs of reducing emissions. It is incapable of looking at the benefits. When you look at those benefits and at other countries you can see that one of the benefits is the

growth of sunrise industries. There is a doubling of growth in these sectors in the United States, for example. A House of Representatives committee report in Australia a couple of years ago predicted that if we were smart enough to capture two per cent of the market, we would create 150,000 jobs in an \$8 billion industry. We could be ahead of the pack.

We are looking for job creation solutions and, despite the best endeavours of this government, we still have the science and research in this country to lead in many areas and become a net exporter of this technology. But if this government continues to ignore the opportunities for new job creation we will become a net importer. Sooner or later we will have to buy the technology. The smarter countries will have a long lead on us. What does that do to our balance of payments and our budget bottom line?

Finally, if we do not agree with mandatory targets, if we are happy to be international pariahs, the inevitable result will not just be a few harsh words and a bit of a slap on the wrist with a limp leaf of lettuce; there will be more serious action taken against us. We could face trade sanctions, a contract here, a ban on goods there. To whom will we be selling our coal then—not the OPEC countries or Russia, the ones we are standing in the corner with on this issue. Perhaps the minister, who is so fond of quoting Norway, has lined up a few contracts with Norway—we are going to need them. Agreeing with mandatory targets means there will be growth industries to take advantage of. It means job creation not job destruction and it means we are being responsible, global citizens.

I hope the ALP will vote for this urgency motion because it would be unfair of me not to point out the record of the Labor Party in government on this matter. Their record was less than inspiring. I hope I am wrong but I think the ALP is still in the position of being frightened to offend the fossil fuel industry. I think they are still frightened of taking action because of the views of a few unions.

I hope the conspiracy of no action on this does not continue. I really entreat the Labor Party to honestly revisit the elements of

failure and compromise inherent in their approach to greenhouse when they were in government and had an opportunity to do something significant.

Finally, I will return to the actions of this government. Firstly, I thought it was interesting that the Minister for Resources and Energy talked about gas being different from fossil fuels when he was asked about renewable energy yesterday on Radio National. You may be able to make a case that gas is less harmful than coal, but it is still a fossil fuel, and that is a point you would expect the minister for resources to acknowledge.

Secondly, the Parliamentary Secretary to the Minister for the Environment (Senator Ian Macdonald), in a desperate bid to talk up his newly found environmental credentials, got involved in the greenhouse debate on Tuesday and talked about the greenhouse effect on the ozone layer. Through you, Mr Deputy President, I will take 30 seconds to give the parliamentary secretary a quick lesson on the differences.

**Senator Ian Macdonald**—Between what?

**Senator KERNOT**—The differences between carbon dioxide and methane. The differences in their global warming potential. The differences between CFCs and their ozone depleting effect.

**Senator Ian Macdonald**—I know all that.

**Senator KERNOT**—You did not know all that in the debate on greenhouse on Tuesday. In conclusion, this government has one year to sort out this mess, one year to honestly examine all of the costs and all of the benefits—both domestic and international. We had this wonderful response yesterday: the government's response to the challenge of greenhouse. It was a colour-coded response for industry, but the challenge is really one for the government.

We need to see a major policy shift. We need to see realistic support for the sunrise industries and jobs growth in the renewable energy and energy efficiency sector. We need to see an admission that the consequences of climate change are catastrophic. We need to see an admission that these consequences are possibly preventable if we do something now.

We need to acknowledge that, if we work together to reduce emissions, we can have some hope. Some 134 countries and 2,500 scientists are not a bad start. I urge this government to ensure that Australia swiftly becomes country No. 135.

**Senator HILL** (South Australia—Minister for the Environment) (3.56 p.m.)—The government is taking the issue of global warming seriously and, as far as the Berlin mandate negotiations are concerned, is seeking an outcome that is fair and achievable. What Senator Kernot is really putting to the chamber today, although she does not put it in the terms of her urgency motion, is that Australia should be signing onto binding targets—that is, binding targets in circumstances where we do not know what those targets are, we do not know how they are to be calculated and we do not know the time frame within which they are to be implemented. We have said that we are not prepared to do that. We are not prepared to sign a blank cheque, a blank cheque that could in due course cost many thousands of Australians their jobs.

In relation to this matter, the facts of life are that, on the one hand, there is a serious global problem that requires urgent response and, on the other hand, there needs to be an outcome which is fair and achievable. From Australia's perspective that outcome needs to recognise that, firstly, we contribute only a very small fraction of the world's greenhouse gases—the best estimate is about 1.4 per cent. Secondly, in recent years our record in restraining the growth of those greenhouse gases has actually been better than most annex 1 countries, most OECD countries. Thirdly, we are determined to vigorously respond in terms of an even improved domestic contribution.

We do recognise the science. We recognise the urgency of the matter. We are serious negotiators within the Berlin mandate process. We are seeking with interlocutors to find an outcome which can have a positive global greenhouse response, whilst at the same time we are not prepared to sell out Australian jobs to do it.

In the chamber the other day I said that, because of our economic profile, because of our continuing dependence on rural industries, because of the importance in particular of the processing of minerals within that economic profile, we are, on a per capita basis, an extensive user of energy. But that is not necessarily a bad thing because the test, if you are looking for a global response, should be as to whether we are an efficient user of energy. That is not the debate that Senator Kernot has brought to the chamber today, a debate that would have been worth while.

We believe that we are an efficient user of energy. There is no point, Senator Kernot, in exporting Australian jobs to Asia—in other words, transferring our mineral processing offshore—in order to produce a better domestic greenhouse response if it would produce no better response in global terms, perhaps even a lesser response in global terms. In fact, that would be counterproductive to the objective we are all seeking.

For that reason, we are saying that an effective Berlin mandate process has also got to engage the developing nations. The developing nations are now producing almost 50 per cent of the world's greenhouse gases, and they need to be part of this solution as well.

There is time only for a brief contribution today because of the short time allotted to each speaker so that every one gets a fair go. But let there be no misunderstanding: we have accepted the science of greenhouse, and we have endorsed the second scientific assessment of the intergovernmental panel on climate change. I said that in the Geneva negotiations in the middle of this year. Australia in fact made a very significant contribution to the development of that panel. Australia is one of the leading contributors to the science of greenhouse, and our research base is vitally important, particularly as we are the major contributor to the science for the Southern Hemisphere. We have a very important part to play.

We are not trying to buck that science, and we are not trying to talk down the urgency. We do believe this is an urgent matter. It is a very difficult matter for the international community, but it is a critically important

international concern. So let us put to an end this debate about whether or not we are quarrelling with the science. We are not quarrelling with the science.

The second issue is whether we are an active participant within the international process in seeking to produce good global greenhouse outcomes. Yes, again we are. At the previous meeting in Berlin, COP 1, Senator Faulkner committed Australia to the Berlin mandate process, and we have said in government that we stand by that commitment. I repeated it again at the Geneva negotiations. We are participating in the next round of official negotiations which are taking place in the next few weeks in Geneva. That is why we have constructively put on the table our formula, which we believe is a fair formula, towards a good Berlin mandate outcome.

It is true that our formula says that you cannot treat all economies equally. Each economy has a different economic profile. Each economy has reached a different stage in the development of energy efficiency. It is a very blunt instrument that seeks to treat them all equally in this response, and it is a blunt instrument that would be very unfair to some economies and particularly unfair to the Australian economy. That would have a detrimental consequence on us which would be at least twice as bad as it would be on other countries within the OECD group.

We have not had the advantage, as I said the other day, of being a Britain. They have been able to close down inefficient coal mines that would have been closed down anyway and have therefore gained the greenhouse benefit from those closures. We have not had the advantage of being a Germany, and absorbing the former GDR, seeing the closure of its inefficient industries and seeing an improvement of figures that flow as a consequence of that. We have not had these advantages that are, in many ways, artificial.

That is why the sort of formula which I think Senator Kernot is endorsing—which is an equal obligation for all, based on figures that in many ways are very academic up front—is a blunt instrument that we are not

prepared to accept. But that does not mean that we are not taking the issue seriously.

As I said, we have developed our differentiation proposal. It is on the table. It is being negotiated at the moment. The positions of the various countries differ somewhat, but the country Senator Kernot mentioned, Norway, has some similarities. Canada has some similarities. Japan has some similarities. Others are adopting different positions, and these are being negotiated at the moment. These negotiations will continue during next year leading up to the Kyoto meeting in December, at which we are hopeful that the annex 1 countries will agree to a strong positive outcome—an outcome that will produce an improved global greenhouse position.

For the position to be effectively global, it has to start bringing into account the developing countries as well. That is why the position of the United States—which is one of advocating tradeable emissions, although they refer to tradeable emissions between annex 1 countries at the moment—is designed also to be able to offer a carrot to the developing world to start to bring them within the process. We believe that will be a very positive development.

So, Senator Kernot, we do seriously address the issues in your motion. We reject your allegation that we are failing to address them. We are not however prepared to sign a blank cheque. The development of our greenhouse response has been one of seeing that we contribute responsibly to a better global position whilst, at the same time, recognising our responsibility to grow the Australian economy and to provide Australian jobs, not reject them. I welcome the chance for the debate, but I regret that I think Senator Kernot has missed the point.

**Senator FAULKNER** (New South Wales—Leader of the Opposition in the Senate) (4.06 p.m.)—The Labor Party now, but also in government, recognised the strong scientific evidence that shows that climate change caused by global warming—the greenhouse effect—does have the potential to seriously affect the planet's future. We have always said, as I mentioned in a short debate this

morning, that this is the most significant global environmental issue.

In 1992 the Labor government introduced the national greenhouse response strategy to reduce emissions of greenhouse gases. Labor in government also established a national greenhouse advisory panel to provide advice to all governments on the development of our national greenhouse response strategy.

We released an enhanced domestic response to the greenhouse problem in March 1995 aimed at further reducing the growth in emissions in Australia. Our policies, at the time of the election, were projected to bring us within three per cent of our stabilisation target by the year 2000. This objective was to be pursued through cooperative agreements with industry; enhanced greenhouse monitoring, reporting and information networks; continued cooperative action between the Commonwealth, state and local governments; increased use of renewable energy sources, and leadership by the Commonwealth government in promoting best environmental practice.

On greenhouse, we have seen the same lack of commitment by the coalition government to the protection of the environment that they have shown in so many other areas of the environment in so many other environmental issues. Not only are they not prepared to commit adequate levels of funding or funding from consolidated revenue, but they continue to regard the environment as an impediment to development. This government have taken an entirely defensive negotiating position on greenhouse emissions. And our international credibility is on the line because of it. As my colleague, the shadow minister for the environment, Dr Lawrence said:

The greenhouse emission crisis is a global problem, and while the particular circumstances of our economy make it more difficult for Australia to do its part to head off a climate crisis, that doesn't mean we can hitch a free ride on the rest of the world, particularly since the majority of developed countries are prepared to commit to targets and timetables.

Even before the election, the environment movement knew that the coalition would not deliver on greenhouse. The Australian Conservation Foundation carried out an assessment

of the major political parties in their approach to the environment in the lead-up to the federal election. The responses to the questionnaire conducted by the ACF were clear in demonstrating that Labor not only had the best record when it came to the environment but also had the policies in place and the commitment to deliver on the environment.

When asked, for example, 'Will your party commit substantial funds for an independent sustainable energy authority to stimulate the development of energy efficiency and renewable industries?' the Labor Party was able to sell its record. Labor, in government, provided significant funding to programs which actively support the development, commercialisation and uptake of renewable energy. These programs included: \$15 million for a CRC on renewable energy, a \$4.8 million renewable energy industry program to showcase Australian new energy technology for the Olympics, a \$3 million renewable energy program to promote remote area power supply systems in 75 display households around Australia, and the energy card which is part of a \$6 million program to increase the uptake of solar hot water systems. We also implemented the greenhouse challenge program with Australian industry and business to reduce their use of non-renewable energy and provided \$9.7 million for this program. We were also under way towards developing a national sustainable energy policy through a white paper process.

The coalition, on the other hand, could only offer very limited initiatives on renewables and energy efficiency. And when the Australian Conservation Foundation asked in their questionnaire, 'Will your party support demand management objectives and greenhouse reporting requirements being established in the code of conduct for the national electricity industry?' we offered an unqualified yes.

The coalition said they would 'consider' their options, while seeking the 'cooperation of the electricity industry to implement a strategy'. And what has happened since the election? The cuts to the climate change research program say it all. The coalition have slashed that very important government program by 37 per cent from \$6.3 million in 1995-96 to only \$4 million a year for 1996-97

through to 1998-99. So in this matter the proof of the pudding is clear to see.

I must say to Senator Kernot that there was some inevitability about this motion. I was not surprised that Senator Kernot proposed this as a matter of urgency and I indicate that the opposition will support the motion moved in those terms.

This is a government in office that is not committed to the environment. They are not committed to addressing the threat of global warming and its consequences. As I say, it was only a matter of time before this matter came up for debate before the Senate. An opportunity has been presented to senators to expose the lack of interest, the inaction of this government and its failure to seriously address these issues.

This is very unfortunate but I do not believe it is the last time we will be here debating issues of very great environmental significance. I suspect it is not the last time that we will be called upon to condemn this government's failure to protect the environment. On behalf of the opposition, I indicate that we will support the urgency motion standing in Senator Kernot's name.

**Senator IAN MACDONALD** (Queensland—Parliamentary Secretary to the Minister for the Environment) (4.15 p.m.)—I am delighted to be able to participate in this urgency debate to indicate just how very seriously the government does deal with the threat of global warming and its consequences. Senator Faulkner's address that we have just heard is typical of the Labor Party's approach to this matter in the time that they were in government: a hell of a lot of talk, a lot of rhetoric but absolutely no action.

That has been demonstrated particularly over the period when Senator Faulkner was the relevant minister. The problem of global warming was first acknowledged internationally in about 1992. Certainly, the government of the day did acknowledge that—and I agree with Senator Faulkner when he says that they acknowledged it. But they did absolutely nothing tangible to address the problem until just a couple of months before the last election, when it was really far too late.

By contrast, this government has started to take steps that will clearly do something about the serious impact of global warming. For example, we have instituted a major review of the national greenhouse response strategy. We have instituted and had prepared a sustainable energy white paper. We have instituted reforms to electricity and gas markets. We have the national vegetation initiative, and we have done something concrete about the greenhouse challenge program.

If time permits, I want to mention a few of those things and what the government has been doing about them. One of the things I mentioned, the national vegetation initiative, does depend upon the government having sufficient funds to pour into that initiative and other environmental initiatives. I cannot let this opportunity go by without saying to the Greens and the Democrats in particular: why will you not give us the money that will enable us to institute that initiative? Why are you more interested in a multinational corporation? Why will you not let us sell one-third only of Telstra so that we get the money to plough into that initiative and we are able to do additional very concrete things to address the problem of greenhouse gas?

The government ministers in June this year asked officials to identify options for early Commonwealth action to accelerate the current no-regrets measures on greenhouse and to identify additional areas where the government can take further no-regrets measures. This report clearly demonstrates Commonwealth leadership and commitment to the greenhouse gas abatement within its own jurisdiction. Unlike the previous government, we are at last doing something concrete.

The Commonwealth government has made a strong commitment to lead by example through ensuring that its own procurement and operations maximise energy efficiency. As part of this response, I am pleased to say that the government will require departments and agencies to undertake an energy audit of buildings and operations and report annually against specific performance objectives on progress in implementing energy efficiency measures.

We also intend to remove administrative impediments to energy performance contracting, develop appropriate tender procedures and allow retention of savings by participating departments and agencies in time to allow energy performance contracting to become a common component of government operations in the 1997-98 budget. We have a commitment to a target of achieving a 15 per cent improvement in efficiency levels—relative to 1992-93 as the base year—by 1997-98 and a 25 per cent improvement by the year 2002 in government occupied buildings.

We have encouraged business to become involved in the greenhouse challenge. In this, there has been a partnership established between the business and industry sector and the government, and it is a significant element in the government's approach to addressing this greenhouse issue—again a tangible response by this government, not just the rhetoric of the previous government.

To date, the greenhouse challenge program has agreements in place with 17 companies and five industry associations, representing a wide range of industries: energy supply, mining, manufacturing, petroleum, chemical, banking, aluminium smelting and pulp and paper. The companies include some of the major companies in Australia: BHP, CRA, Shell, ICI, Westpac, Johnson and Johnson—just to name a few. Associations include: the Energy Supply Association of Australia, the Pulp and Paper Manufacturers Federation of Australia and the Australian Aluminium Council. All of these people have become involved in this voluntary agreement on energy efficiency.

The agreements cover 250 major sites across Australia, which contribute about 46 per cent of Australia's emissions connected with the industrial sector. The agreements have also identified over 420 actions to reduce greenhouse gas emissions from 1995 to the year 2000 by approximately 15 million tonnes of CO<sub>2</sub> from what they would have been without these changes in technology and operating procedures.

The government is again, with that greenhouse challenge, doing something tangible. As you will know, Madam Acting Deputy Presi-

dent, we have promoted the national electricity grid. That means more competition in the supply of electricity. That in itself leads to more efficiency in the supply of electricity and all of that helps with the government's strategy. We are promoting renewable energy resources. Wind and solar energy resources are being promoted by this government—another very tangible demonstration of this government's seriousness about the greenhouse effect.

I am pleased to see up in my neck of the woods that governments will be—not assisting; it is a private development—encouraging the use of a natural gas facility. Whilst that does have some impact on global warming, it certainly has a much lesser impact than some of the fuels currently used.

I might ask the Democrats or the Greens, if they are participating further in the debate, why it is that they praise the European Community about greenhouse gases and their restriction on energy when those countries—the European Commission that the Greens and Democrats seem to laud—are able to do that because they use hydro power and nuclear power, which the Greens and the Democrats are totally opposed to. Why they don't criticise the European Community about that is something that I can never quite understand.

Time will beat me on the enormous range of issues that I wanted to mention to show that the government is conclusively doing something about greenhouse gas and global warming. I did want to briefly mention again to Senator Kernot that my reference in a previous debate to the Antarctic Division of the department was simply to say that the Antarctic Division, the Australian government, is doing a lot of research into the effects of global warming. Our Antarctic Division is something we should be proud of as a world leader in this regard.

In addition, the Australian Bureau of Meteorology is participating in worldwide research that will help in finding the solutions to the problems of global warming. At every opportunity I will laud and mention the tremendous work that these Australian agencies are doing in this field. I call upon my colleagues in the Greens and the Democrats

to do the same. Give encouragement; don't just criticise all the time.

Finally, I briefly mention the sustainable energy policy white paper which the government has prepared. This will be a major vehicle for the Commonwealth to address greenhouse response in the energy sector. It is being developed through a process including public and industry consultation, and it will provide a sustainable energy policy framework for the next 25 years. This white paper will promote an integrated pursuit of economic and environmental objectives and specific initiatives from this process. They will be announced in due course. Because of the time for this debate, I am not able to take that any further. There has been an enormous response from the government. We are very serious about it, and we reject the Democrats' motion. (*Time expired*)

**Senator BROWN** (Tasmania) (4.25 p.m.)—The Greens strongly support this motion, which comes out of the Greens' initiative this morning to get this urgently debated. This morning it was not urgent; this afternoon it is urgent—according to the government. Although they will oppose it, it has become critically important, as far as the Minister for the Environment (Senator Hill) is concerned. I hope they are moving away from the age of a Liberal colleague of theirs in the Tasmanian parliament who explained how to just talk of global warming was a world plot to ruin economies.

More recently, the Secretary of the Labor Party, Gary Gray, on taking that office, told one magazine that it was a middle class plot to frighten school children. We have not moved a great deal from that, but this is arguably one of the most critical issues—if not the most critical—confronting the whole globe, and Australia is dragging the chain.

The minister opposite can say, 'Oh well, we produce only 1.4 per cent of the world's greenhouse gases.' But we are 0.3 per cent of the world's population. Per head of population, we are the worst or the second worst greenhouse gas polluter on the face of the planet. What an appalling record. That is a direct reflection of the negligence of past Labor governments, and the even worse

performance of this Liberal government, in confronting responsibly Australia's role in leading the world out of this worsening crisis.

I want to briefly mention the situation with Antarctica, which the former speaker referred to. Measurements in the Antarctic continent have turned around since 1990 the presumption that Antarctica would accrue ice as the world warmed up and be a balance to sea level rises. We are now getting scientific evidence that quite the reverse is the effect. In 1986, two icebergs broke off from the Antarctic icesheet which were some 11,000 square kilometres in size. The ACT is 2,000 kilometres. Those two icebergs alone—one-third the size of Tasmania—broke off without warning.

Last year, another ice lump measuring 70 kilometres in length—larger than the size of the ACT—broke off from the icesheet quite unpredictably. That alone will not lead to sea level rises. But studies are showing that the ground ice—the ice aboard continental Antarctica—looks like it is behaving in a way that is inimical to the interests of this planet.

If we look at what happened 120,000 years ago, in one devastating slip of the icesheet the world sea levels rose six metres. A University of Chicago study shows that behaviour of the west Antarctic icesheet has in the past led to sporadic and chaotic collapses of the icesheet. Senators opposite might find it amusing, but Greenpeace follows up by saying, 'Recent measurements at Pine Island glacier increased fears of an icesheet collapse.'

**Senator O'Chee**—You are out of your depth.

**Senator BROWN**—Senator O'Chee and others might think this subject is funny—

**Senator Ferguson**—It is only you.

**Senator O'Chee**—Six metres. It is your comment. Six metres.

**Senator BROWN**—Okay, six metres. That is the comment. Senators opposite might find this a trite matter, and government behaviour shows that it is completely behind the eight ball as far as this concerned, but it is time for greater action by this country. It is time for greater action by Australia. It is time to take a lead. Indeed, I foreshadow that we should

put some teeth into this motion so that we have an active component added to it rather than just criticism of the government opposite. Therefore, pursuant to contingent notice, I move:

That so much of standing orders be suspended as would prevent Senator Brown moving an amendment to the motion.

**Senator O'CHEE** (Queensland) (4.30 p.m.)—by leave—To save the time of the Senate, it might be helpful if we ask Senator Brown what he intends to amend in the motion because he has not had the courtesy to circulate his amendment in the chamber or to advise us of it.

**The ACTING DEPUTY PRESIDENT (Senator Crowley)**—I note your comments, Senator O'Chee. Senator Brown, I am just about to call for a vote. I put the question that the suspension motion be agreed to. All those in favour say aye, to the contrary no. I think the noes have it. It being 4.30 p.m., the time for this debate has expired. The question now is that the urgency motion moved by Senator Kernot be agreed to.

*A division being called and the bells being rung—*

**Senator Ian Macdonald**—Madam Acting Deputy President, I raise a point of order. I understood that Senator Ferguson wanted to make a contribution to this debate.

**The ACTING DEPUTY PRESIDENT**—I am advised that, it being 4.30 p.m., we must move to general business.

**Senator Ian Macdonald**—If that is the case, I think we should just move straight to general business. That is what the practice has been in the past. The point of order I raise is that Senator Ferguson wishes to speak, albeit ever so briefly.

**Senator O'Chee**—Madam Acting Deputy President, I rise on the same point of order. The vote can only be put at the conclusion of the debate. It is my understanding that there can be no vote because the time for the debate has not expired but the time for the commencement of general business has been reached.

**The ACTING DEPUTY PRESIDENT**—I am advised standing order 75 requires that

when the time for a debate expires the question must be put. That is the usual practice in this place. The division will proceed.

**Senator Ian Macdonald**—Thank you for the ruling. Could I ask that you research that. It certainly has been the practice in the past that when the debate is proceeding and the time for the debate terminates you move on at that moment to the next item of business.

**Senator Bolkus**—That's not right; you know that.

**Senator Ian Macdonald**—That is how it has been in the past. If that is your ruling, I accept it, but I ask that you review the ruling and perhaps come to a different conclusion if needs be.

**The ACTING DEPUTY PRESIDENT**—I will certainly make sure that any further information on this matter is provided to you. It is also important to remind you that there is a difference between a matter of urgency, which this is, and a matter of public importance, which is usually managed in the way you describe. It may well be that further clarification will assist you. We will look into it.

The Senate divided. [4.36 p.m.]

Question put:

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

(The President—Senator the Hon. Margaret Reid)

Ayes	35
Noes	34
Majority	1

AYES

Allison, L.	Bishop, M.
Bolkus, N.	Bourne, V.
Brown, B.	Carr, K.
Childs, B. K.	Collins, J. M. A.
Collins, R. L.	Colston, M. A.
Conroy, S.	Cook, P. F. S.
Cooney, B.	Crowley, R. A.
Denman, K. J.	Evans, C. V.
Foreman, D. J. *	Forshaw, M. G.
Gibbs, B.	Hogg, J.
Kernot, C.	Lundy, K.
Mackay, S.	Margetts, D.
McKiernan, J. P.	Murphy, S. M.
Murray, A.	Neal, B. J.

O'Brien, K. W. K.  
Reynolds, M.  
Stott Despoja, N.  
Woodley, J.

Ray, R. F.  
Schacht, C. C.  
West, S. M.

NOES

Abetz, E.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Coonan, H.
Eggleston, A.	Ellison, C.
Ferris, J.	Gibson, B. F.
Heffernan, W.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Macdonald, I.	Macdonald, S.
MacGibbon, D. J.	McGauran, J. J. J.
Minchin, N. H.	Newman, J. M.
O'Chee, W. G. *	Panizza, J. H.
Parer, W. R.	Patterson, K. C. L.
Reid, M. E.	Short, J. R.
Tambling, G. E. J.	Tierney, J.
Troeth, J.	Vanstone, A. E.
Watson, J. O. W.	Woods, R. L.

PAIRS

Faulkner, J. P.	Crane, W.
Lees, M. H.	Herron, J.

\* denotes teller

Question so resolved in the affirmative.

**Senator Harradine**—Madam President, on a point of order: you may be able to clarify this matter for me. I missed that division. During the ringing of the bells, I was in my room studying legislation that is imminent and I looked towards my television set and saw that debate was continuing. I assumed that that was not an appropriate thing to be doing while the bells were ringing. I feel that, in future, debate or points of order should not take place during the ringing of the bells. So far as I am concerned I would normally expect the bells to ring for four minutes and there not to be a debate or points of order being called in this chamber. I am not sure whether they were points of order or whether the comments were part of the debate.

**The PRESIDENT**—They were points of order taken during the time the bells were ringing. The standing orders do provide for that to occur. They were points of order relating to whether or not there should be a ballot when the debate had not been completed, even though the reason for the completion was that it was 4.30 p.m. and time to move on to general business. As I understand

it, the points of order taken then related solely to whether or not the motion should be put, and the ruling was that the motion should still be put. It is a matter that I can have referred to the Procedure Committee.

### DOCUMENTS

**The ACTING DEPUTY PRESIDENT (Senator Crowley)**—There are 95 government documents listed for consideration on today's *Notice Paper*. There is a limit of one hour for their consideration. To expedite the consideration of documents, I propose, with the concurrence of honourable senators, to call the documents in groups of 10. Documents called in each group to which no senator rises will be taken to be discharged from the *Notice Paper*. Documents not called on today will remain on the *Notice Paper*. There being no objection, it is so ordered.

#### Superannuation Complaints Tribunal

Debate resumed from 21 November, on motion by **Senator Conroy**:

That the Senate take note of the document.

**Senator WATSON** (Tasmania) (4.42 p.m.)—Perhaps the greatest challenge to the Superannuation Complaints Tribunal will be the changes which will be necessary following the recent court decision of *Pope and Others v. Lawler and Others*, Western Australia District Registry 7 May 1996. I note that this case is subject to appeal. If the appeal supports the decision of the district registry, then I believe this case will create not only a precedent but also a major predicament for trustees, their complaints mechanisms and the tribunal itself.

The case impacts on the operation of the tribunal because it looks at the phrases 'unfair and unreasonable' and 'fair and reasonable', which are key concepts when determining the way in which the tribunal may exercise its powers of determination. Section 37(2) of the act requires the tribunal to affirm the decision of the trustees 'if it is satisfied that the decision in relation to the complainant was fair and reasonable in all the circumstances'. This has been done in the case of *Pope and Others v. Lawler and Others*.

In what I understand to be the first decision of the Superannuation Complaints Tribunal to go on appeal to the Federal Court, the judge found that the tribunal erred in law in relation to what was fair and reasonable. His Honour concluded that the decision of the trustees was not unreasonable, but it was not open to the tribunal to find that the decision of the trustees was not unfair. The judgment said that 'the equities' should be considered in relation to all the parties at the time the complaint comes before the trustees or the tribunal.

The court decided to set aside the decision of the trustees and substitute one of its own, following submissions from the parties, so that 'the equities could be appropriately recognised'. While the judge found the decision to be reasonable, it was not on the evidence fair. The problem with this case is that it looked as if the court were deciding what was fair and reasonable; whereas it was the intention of the parliament, I believe, that the tribunal would be the final arbiter of that. An amendment to the law may be necessary to reinstitute what I believe to be the original intention of parliament. Turning to the annual report, the largest category of decisions reviewed by the tribunal reported during the year related to the allocation of death benefits.

Honourable senators may also be interested to note that a number of complaints arose from the dilemma in which some company directors have found themselves where they are both an employer and a trustee. It is the small employer-sponsored funds which seem to have the greatest difficulty in distinguishing between the role company directors should play when they are acting as an employer, and the responsibility they should shoulder when they are acting as a trustee. This distinction is made more difficult, the report goes on to say, when the communication between the employer and the trustee are not recorded. All these are reasons for complaints decisions by trustees being in writing.

Arising from the report, I would also like to draw attention to the rapid increase in the number of complaints received by the tribunal. There were a total of 1,140 written complaints and 13,239 telephone inquiries in

the last financial year. Surprisingly, this represented a very large increase of 28 per cent in written complaints and of 255 per cent in telephone inquiries. I would have thought that, with so many funds instituting their own internal complaints resolution mechanisms often with independent chairpersons, the number of complaints either written or by telephone would have started to decline.

When we analyse complaints on a state by state basis in relation to the number of superannuation fund members, surprisingly, complainants from the ACT represented a far greater proportion than from any other state or territory.

Fifty-five per cent of all written complaints are outside the jurisdiction of the tribunal, and other concerns included what documents should accompany the complaint. However, I must acknowledge the success of the major restructuring embarked upon by the tribunal in order to address the 'delays' and the 'slow flow of information' identified in the report by the Senate Select Committee on Superannuation emanating from its inquiry into the Superannuation Complaints Tribunal last year.

Finally, I would like to acknowledge the contribution made by the former deputy of the tribunal, Jill Cardiff, who has moved on and sought employment outside the tribunal. I thank the Senate.

**Senator BISHOP** (Western Australia) (4.48 p.m.)—The role of superannuation over the past few years has increased. It is now the single most important way in which we seek to guarantee an acceptable standard of living in our retirement. Appropriately, then, Australians are increasingly seeking to understand superannuation and how it can work for them better now and into the future. This has increased the thoroughness of the examinations and scrutiny of superannuation and superannuation funds in this country.

This has given the Superannuation Complaints Tribunal an enhanced role in the workings of superannuation. Importantly, the Superannuation Complaints Tribunal is an independent statutory authority. It provides the service of complaints and queries about the administration of superannuation funds at a cost free level. This therefore ensures

universal availability. Importantly, the tribunal can at first recommend conciliation and then enforce its decisions if they are not adhered to.

The importance of this tribunal and the interest Australians are taking in their superannuation funds is evidenced by the workload of the tribunal. Over the past 12 months, as previously indicated, 1,130 written complaints were received. This is in addition to the 13,239 telephone inquiries that were received by the tribunal.

In particular, the high volume of the telephone inquiries highlights the importance of the funds issuing statements to all members. The highest inquiries by phone occurred in October and November 1995. This corresponds, obviously, with the time when most people would receive their statements and have questions stemming from them.

While it is encouraging to see many people taking an interest in their superannuation funds, it is interesting to note that, of all the complaints made, only 487 were deemed to be within the tribunal's jurisdiction. This indicates that a large proportion of the tribunal's time is spent answering queries about what is in their jurisdiction and what is not, rather than all their time being spent dealing with the relevant complaints. An awareness campaign to inform people of how the tribunal can assist them may help in freeing up more time for dealing with complaints by reducing complaints brought to the tribunal's attention which are out of its jurisdiction.

An important fact to note is the age at which people are predominantly making complaints. The average age of complainants is 47, and 25 per cent of complaints are being made by people aged 55 and over. This obviously corresponds with the age at which people are thinking most about their retirement and their continued standard of living. The problem, however, is that by this stage it may be too late to make any significant change to a person's superannuation to enhance its value. This indicates a need for better education of young people about superannuation and what should be expected. The earlier problems are highlighted and dealt

with, the greater the chance to increase maximum benefit from a particular fund.

Being aware then of the amount of complaints and areas that need to be addressed to improve this process, I now turn to the powers of the tribunal and their effectiveness over the past 12 months. One of the major problems that has occurred—and I have alluded to it earlier—is the poor understanding of the role of the tribunal. This is reflected by the fact that 53 per cent of complaints made to the tribunal were outside its jurisdiction.

The problem here is that, firstly, the public are unaware of the role and powers of the tribunal which has been established to assist them and, secondly, it is not clear whether those issues that are outside the tribunal's jurisdiction are being dealt with in any other way or even if advice is given to complainants about how to do this. In order to ensure that superannuation funds are kept accountable and people are aware of how their money is being used, the above mentioned problems need to be dealt with.

Finally, I wish to look at the review process of the tribunal itself. In this regard, the tribunal has a fine record. There are a number of internal procedures the tribunal has in order to ensure its own accountability. These are procedures such as: all complaint files to individual case officers are determined by the director of inquiries and conciliation to ensure that complaints were appropriately dealt with according to the complexity of the matter vis-a-vis the seniority and expertise of the case officer; recommendations by case officers are scrutinised by senior management; and all withdrawal letters are required to be signed by the executive director and/or the senior director. These are just a few examples.

Externally, the checks are of a similar thoroughness. Examples are scrutiny by parliamentary committee, Ombudsman, Human Rights and Equal Opportunity Commission and the Privacy Commissioner. This is further scrutinised by access to the court system.

The role of superannuation is increasing, as is the proportion of household income being put into the funds. This degree of government and community commitment requires the

appropriate scrutiny of all superannuation funds. For this reason, the Superannuation Complaints Tribunal is an important part of the superannuation industry. However, to ensure that it is successful and accordingly keeps the funds accountable, it must ensure that it is being used widely and that the community is aware of the tribunal and its role.

Additionally, the government needs to address the issue of the number of complaints lodged that are deemed to be out of the jurisdiction of the tribunal. These complaints need to be addressed in some other forum. This will work to create a more responsive, efficient and trusted superannuation industry in Australia.

Question resolved in the affirmative.

#### **Anti-Dumping Authority**

**Senator COOK** (Western Australia) (4.54 p.m.)—I move:

That the Senate take note of the document.

The Anti-Dumping Authority performs a very important, although largely unrecognised, role in Australia. It is a body that never gets a good press because there are criticisms of it by importers and there are criticisms of it by Australian producers.

Basically, what the Anti-Dumping Authority does is make sure that no foreign company dumps product in Australia at below commercial prices, thus diluting the market and stealing from Australian producers the market that is the rightful entitlement of them, trading at a commercial rate. The reason why companies dump is obviously that they produced a longer run of production than they intended and they have got goods over that they cannot sell in their own markets. In order to recover some costs for themselves, they mark those down and dump them on the Australian market, or sometimes companies and, in order to try to snare a greater market share, they will price their goods below the ruling market rate.

Where that happens, Australian companies can protest, and they do, to the Anti-Dumping Authority. It then investigates the case. If it believes that non-commercial practices have been indulged in—that is, dumping—they

then have the power to impose on the recalcitrant company a tariff which will bring the price of their goods up to the competitive price or the market price in Australia.

In trade negotiations, wherever trade ministers travel, nations around the world complain sometimes about whether the Anti-Dumping Authority is a non-tariff trade barrier denying access of goods to the Australian market. Of course, domestically, where Australian companies believe they are being harmed by dumping practices but have not been able to win favour with the Anti-Dumping Authority to take action on their behalf, they believe that it is too liberal and is allowing goods in unfairly to undermine their position in the market.

So the Anti-Dumping Authority has to be, and is, very careful. The people who work at the authority are extremely competent. The Anti-Dumping Authority has to operate on guidelines from the World Trade Organisation. It has to be transparent. I believe that the Australian Anti-Dumping Authority is a global model; that is, a model for other nations to follow, on what fair anti-dumping practices shall be. So I commend the annual report of the authority.

I do, however, note the way in which the current debate on anti-dumping has moved in Australia in recent days—an alarming concern. The business magazine *Business Review Weekly* has carried in its editorial columns a couple of remarks about what this government is proposing or has in mind to do with respect to the Anti-Dumping Authority.

We have just seen the APEC conference being held at Subic Bay in Manila. I have not, in the time available to me, been able to check whether or not this has in fact occurred, but the belief of industry was that the Australian government, at Subic Bay, would make a gesture to the Chinese government and declare China—which is a centrally controlled economy with features of a market economy, particularly in the fast growing coastal provinces—a market economy; that is, an economy like Australia, where the market determines the price of a good, not a subsidised or centrally directed price, as is typical of a planned economy.

If the People's Republic were declared a market economy by the Australian government, there would be no commercial price being able to be determined and dumping of product from that country into Australia could occur. Businesses in the glass industry and the chemical industry believe it is occurring. In fact, those that manufacture the weed repellent Roundup believe that that formula is being dumped from China into Australia now, and it is because this government intends to recognise China as a market economy.

Clearly, China is not a market economy. It is certainly an economy in transition. It has not yet moved to a market focus. If this government prematurely recognises the People's Republic, many businesses in Australia will have their market corrupted, jobs will be on the line and the efficacy and profitability of those businesses will be greatly at risk.

Question resolved in the affirmative.

#### **Australian Maritime Safety Authority**

**Senator GIBBS** (Queensland) (4.59 p.m.)—  
I move:

That the Senate take note of the document.

The Australian Maritime Safety Authority was established by the Labor government in 1991. Among the authority's most important responsibilities are the provision of navigation aids and the inspection of foreign ships in Australian ports. Since the start of this decade, it has become widely understood that the condition of foreign ships in Australian waters poses a substantial threat to our maritime environment. Those vessels that fall below the safety standards set by the Australian industry have quite rightly become known as the ships of shame.

Senators will recall the *Ships of shame* inquiry was triggered by the loss of six bulk carriers off the Western Australian coast between January 1990 and August 1991. The inquiry uncovered considerable evidence of poor maintenance, unsafe work practices and, most disturbingly, the abuse and exploitation of seafarers by officers and management alike.

Today AMSA is at the forefront of protecting the Australian environment and those

working in the shipping industry from the impact of these foreign flag vessels. In 1995-96 the authority inspected a total of 2,712 foreign ships, of which 247—close to one in every 10—were detained until they were repaired to the authority's satisfaction. This represents an inspection rate of 60 per cent of those foreign vessels operating in Australian waters not inspected in the previous six months.

Recognising that foreign flag vessels carry the bulk of Australia's exports, the authority commissioned a study to gauge the safety and economic impact of the inspections on ships' availability and trade rates. An initial pilot study focused on bulk carriers engaged in the iron ore trade out of Pilbara ports in Western Australia. The study found that, while a better standard of ship operated in the Pacific and Indian oceans trades, there was no impact on either the availability of ships or freight rates. So, through its inspections, the Australian Maritime Safety Authority would seem to have increased the safety of foreign vessels coming into this country without increasing the cost of freight leaving it.

In short, the worst substandard shipping simply appears to be avoiding Australia. However, this achievement is being placed at risk by the policies of the Howard government in respect of the Australian shipping industry. As I have said, the authority is currently inspecting about 60 per cent of eligible foreign vessels in Australian waters. But that task is about to be made increasingly difficult by the government's intention to abolish cabotage, resulting in more foreign ships plying the coastal waters of Australia.

An increase in the number of foreign ships will lower safety standards and increase the danger of oil spills and other maritime disasters. That reduction in safety standards will not only place our coastal environment at greater risk but will also jeopardise the growing maritime tourism industry.

At the same time this government is throwing open our precious coastline to more foreign flagged vessels, it seems intent on doing everything in its power to destroy the local industry. Despite the government's backdown on its plans to wind up the ships

capital grants scheme, the budget reveals a reduction of \$139 million in assistance to Australian shipping over the next four years—\$40 million from the abolition of accelerated depreciation of ships; \$63 million from the international seafarers grants scheme; and \$36 million from not extending the ships capital grants scheme as promised by Labor in its last budget.

If the government succeeds, the depreciation rates of Australian trade shipping will be lower than that of almost every other capital item used by Australian industry. The rates of depreciation in other capital intensive industries, such as agriculture and mining, are higher than those in shipping, and there is no diesel fuel rebate for the shipping industry. This government needs to realise that just about every nation in the world provides financial assistance to its shipping industry. The government's policies will simply see more—(*Time expired*)

Question resolved in the affirmative.

#### **Comcare Australia**

#### **Safety, Rehabilitation and Compensation Commission**

#### **QWL Corporation Pty Limited**

**Senator COONEY** (Victoria) (5.04 p.m.)—  
I move:

That the Senate take note of the documents.

This document deals with a matter of great moment—

**Senator West**—A matter of importance.

**Senator COONEY**—As Senator West says, it is a matter of importance. It deals with the issue of what is the appropriate way to deal with people who are injured at work and, in this case, injured while in the employ of the Commonwealth. People who work are entitled to be protected at work from injuries that might occur there. If they are injured, they are entitled to two things: one, to rehabilitation and, two, to proper compensation.

Some quite fearsome injuries can happen at work. I see the Minister for Aboriginal and Torres Strait Islander Affairs (Senator Herron) in the chamber, a person who in a past life was a most eminent surgeon in Queensland.

He would agree that at work you can get some quite terrible injuries that need to be put right. I see in front of me here Senator West, who in a former life was an equally eminent member of the nursing profession. She, too, would agree that some quite serious injuries can occur at work—indeed, quite lethal injuries.

**Senator West**—They can cause death.

**Senator COONEY**—They can cause death, as Senator West has said. It is appropriate, therefore, that we as a Senate call to mind the need to do three things for people in the work force, and in this particular case in the Commonwealth work force. We should first of all ensure that there is safety; secondly, give rehabilitation to those who are injured—and proper rehabilitation services should be given; and, thirdly, provide adequate compensation.

On page 19 of this report reference is made to stress. There is a great deal of discussion about the appropriate compensation for stress in my home state of Victoria. There have been moves made in Victoria to take away stress as a basis for compensation. In fact, stress is as much an injury to people as physical injury is. I notice in this report that reference is made to the Queensland office that did some research into this. The report says:

The Queensland office, in conjunction with the Australian Psychological Society, organised the Second National Occupational Stress Conference held in Brisbane in March 1996. Around 650 delegates from most parts of Australia and several overseas countries, including China, New Zealand, Singapore, Hong Kong and South Africa attended the conference and workshops.

This important national event provides experts in the occupational stress field with the opportunity to exchange information and views concerning the most effective methods in preventing, managing and treating stress related conditions.

This report brings attention to that most important issue.

The other important issue that I want to refer to is on page 48 of the report, which deals with the issue age. Mr Acting Deputy President Ferguson, that is not a matter that immediately concerns you, but it is a matter more immediate to my situation.

It brings up the issue of people who turn 65 and how they are treated. People who have turned 65 and are injured at work, or who are still suffering from injuries that they received at work, are as much entitled as anybody else is to proper compensation. The mere factor of age should not be a distinguishing mark between them and others.

**Senator WEST** (New South Wales) (5.09 p.m.)—I had not intended to speak on this issue, but the issue of stress in the Commonwealth Public Service is of great concern. It is only timely and right that, at this stage in the government's progress, we look very carefully at what is going to be happening to the Public Service in regard to stress.

This government has undertaken a program of pretty massive retrenchments in a number of areas within the Public Service. That people are going to lose their jobs or are uncertain about their future is certainly going to cause them stress. It is going to legitimately cause them stress if they know that there are changes afoot. Change, or the possibility of change, in itself is enough to produce stress and uncertainty in people. This can be manifest in a number of ways.

I am sure that my doctor colleague on the other side will only too happily agree that there are many ways that stress manifests itself. An increased incidence of heart disease, heart attack, cerebral vascular action or that type of thing, and gastric ulcers—all of these can be manifestations of stress.

We know there are a number of areas within the Public Service where there have been significant problems with stress. A significant amount of time has been lost from work because of stress and some departments are obviously more stressful than others—where there are deadlines to be met, where there are upset and angry constituents or clients to be dealt with. We are going to see more of this for several reasons.

One reason is because there are changes to the Public Service. Significant retrenchments have already taken place. People will say about those in areas where the retrenchments have already been completed, 'No need for them to feel stressed. It is all over there.' That is not the case. There is a lingering uncertain-

ty. There is also disquiet and upset about what has happened to their colleagues. This can manifest itself in lower productivity, in dangerous or unsafe work practices, or in other obvious forms of stress that I outlined earlier.

It is very important that people recognise that, when we are talking about occupational health and safety, we do not necessarily mean people who have gone out and got an arm or a leg amputated or crushed or lost their lives. Occupational health and safety can manifest itself in many other ways as well. It is important to recognise that this government is now undertaking a review of the whole operations of the Public Service. I know that Senator Lundy is going to be leading a debate later on this afternoon on employment conditions within the Public Service.

All of this uncertainty adds to stress, adds to the claims that are going to be made to Comcare or the Commonwealth Safety, Rehabilitation and Compensation Commission. That is going to be putting pressure on the budget of the government, but they just don't seem to realise this. They don't seem to realise that you do have an obligation to treat your workers with care and compassion and to not unduly expose them to stress.

You only have to look at the estimates transcripts from when I was questioning what is now left of the Department of Transport and Regional Development, which is basically just the Department of Transport. They sacked in excess of 200 people. Look at the way they sacked those 200 people. They did not have any support mechanisms there. Those people were told that they were going to be retrenched and then told to go home and people would be there tomorrow to talk it about it.

This is the sort of behaviour that adds to stress, that adds to employer disquiet, that reduces the output of the departments, that reduces people's happiness and that reduces morale. All of this comes from stress, and at present we are seeing it manifest itself very greatly in this community because of the actions of this cruel and heartless government.

Question resolved in the affirmative.

### **National Occupational Health and Safety Commission (Worksafe Australia)**

**Senator COOK** (Western Australia) (5.15 p.m.)—I move:

That the Senate take note of the document.

This is the annual report of Worksafe Australia. It comes at an important time. I do believe that the activities of Worksafe Australia are not sufficiently understood or appreciated by the government. We have had in the Senate just recently a long-running debate about industrial relations. What was at the heart of that debate was a belief by the government—an ideological commitment by the government, more like—that the best way of achieving higher productivity was to do as they had done in the industrial relations system and the best way of avoiding industrial disputes was to introduce individual work contracts and matters of that nature.

If we were to look at productivity and questions of lost time in industry in a rational and sensible way, we would straight off identify that one of the biggest areas of lost time in Australia and, indeed, in any industrialised country is industrial accidents and industrial injury. It is not just lost time in production; it is also damage to lives as people are injured or diseased because of the nature of the work that they do, and the ensuing trauma that occurs to them and their families as a consequence—and the high cost of medical bills as well.

Worksafe Australia is pre-eminently a research body. It is a body that looks at what are the areas of industrial accidents and disease, and engages in research to find preventative ways of dealing with them so that those accidents or disease do not occur. As a consequence, the value of Worksafe Australia to the national economy is virtually immeasurable. I saw work that Worksafe has done on mesothelioma—that is, the disease caught by people working in blue asbestos mining in Western Australia—and how over time that takes over the lung of the individual, stuffs it with a look-alike product to asbestos, and kills them.

They have uncovered diseases that are related to various chemical agents which are

introduced more and more into modern manufacturing processes and have come up with ways in which those diseases can be prevented. They have put a great deal of effort into ergonomic research so there will be fewer accidents and less injury in the workplace. They have put a lot of work into the construction industry, which is one of the most unsafe industries in Australia and where, on average, in this nation one person dies almost every two months because of unsafe practices in the construction industry.

Taken together, the amount of lost time occasioned to Australian industry because of industrial accident and disease is, by a factor of 10, greater than the amount of lost time due to industrial disputes. Yet nearly all of the debate we hear in the public forums is about disputes. We hear little debate about how to reduce the real problem of lost time—industrial accidents. Again, I say that that is strictly a commercial view of the damage of industrial accidents because you have to then consider the personal trauma, damage and hospital bills that occur.

Worksafe Australia as a preventative research commission performs an extremely important role. It is led by Dick Warburton, the chairman of the board of that commission. It is one of those areas that have been cut back in the last budget. Its funding has been cut grievously. Indeed, the director of Worksafe Australia, a very eminent Australian, has now left and gone to Pennsylvania to take up a professorship at the university there. He has been forced out by his organisation being emasculated.

These are some of the unkindest cuts of all because these are cuts to research which leads to massive savings in the Australian economy and to the prevention of injury to or disease of Australian workers in their workplace. The programs of research that yield such great results to this community are now to be reduced. Areas of research that go directly to industries that have a higher accident rate per worker employed than any other, industries such as the chemical industry, the construction industry, the meat processing industry, the transport industry and the mining industry, are to be reduced. So if accidents occur in the

future in those industries in areas where the research now being undertaken could have saved lives, stopped injuries or stopped disease, the responsibility for those injuries, lives or diseases rests with the government which has cut the funding and will reduce these programs. (*Time expired*)

**Senator LUNDY** (Australian Capital Territory) (5.20 p.m.)—I rise to also speak on the annual report of the National Occupational Health and Safety Commission. The thing about occupational health and safety that needs to have attention drawn to is the fact that it forms one apex of a triangle of benefit and circumstance to working people. What is occupational health and safety without some form of adequate compensation and subsequent rehabilitation for workers who are injured?

Having previously spent some time working in the area of occupational health and safety, I know that you cannot have a decent system of compensation and rehabilitation unless the investment is made in occupational health and safety. As Senator Cook said, the cutting of funding to this occupational health and safety body, the commission, means that that balance of investment into research and preventative strategies has all but been dismantled. Unfortunately, it is a feature of conservative governments right around this country which have systematically dismantled tripartite forums established to involve all those in the workplace in determining a better, safer and healthier workplace for everyone in that employment.

The Occupational Health and Safety Commission has been a crucial organisation in the development of these balances. How are working people supposed to access independent information when the one government organisation that is the pinnacle of research and statistical information has effectively now been rendered useless? The slashing of funding to this organisation has meant that they cannot conduct their work in the way they have in the past. That upsets the balance and opportunity for Australian industry to invest in preventative strategies.

Senator Cook has also outlined the economic impact of having a comprehensive preven-

tative occupational health and safety strategy in place in this country. Up to this point, that has been dealt with by occupational health and safety acts. But, as I said, if you look to the states for an example of where we are headed, you will see that one of the first moves of conservative governments is not just in the area of industrial relations but in the area of rights of workers to be able to defend for themselves a safe workplace. I am concerned that the funding cuts to Worksafe Australia clearly represent a direction of this government that they also want to dismantle the very mechanisms that provide a use for workers to defend themselves and to stand up and call for their right to have a safe and healthy workplace.

We do not need to look too far beyond what has happened in the workplace relations bill, either. Occupational health and safety has been removed quite specifically from what is considered to be a dispute and excluded from what are now the 20 allowable matters under that workplace relations bill. The fact that occupational health and safety has been excluded from the industrial relations process and excluded from its ability to be dealt with under awards and that we are seeing attacks on the preventative strategies with occupational health and safety by way of cuts to Worksafe sends pretty clear signals to me that this government is following a big business agenda. It is following the business agenda of the ACCI, which has long advocated the dismantling of those effective tripartite mechanisms that allow working people to play a role in determining a safe and healthy workplace.

Now that it has been removed from workplace relations, now that the government is not investing in preventative strategies, I expect the next stage from this government will be a further deregulation of occupational health and safety regulations. We know because we saw in New South Wales that there is a direct equation between the lowering of investment in preventative strategies and an increase in death and injury. If that occurs, if those statistical changes take place for the worse, this government must be held responsible for every single one of them.

**Senator COONEY** (Victoria) (5.24 p.m.)—The contribution made just now by Senator Lundy is well borne out by this report on national occupational health and safety. I notice that in the Chief Executive Officer's overview attention is given to certain statistics, which I will come to in a moment. Dr Emmett was the Chief Executive Officer under whom this report was produced. This was his last contribution as the Chief Executive Officer of Worksafe Australia.

**Senator West**—Shame!

**Senator COONEY**—As Senator West says, that is a shame. In his conclusion to his overview, he said:

This is my last contribution as Chief Executive Officer of Worksafe Australia. It has been a privilege to be involved in the early phase of such an important venture as the establishment of a world class national OHS organisation.

He said in the overview:

In 1985 we had very little idea of the extent of the burden of poor occupational health and safety.

I return to what Senator Lundy was talking about. This appears in Dr Emmett's overview:

Researchers in the National Commission's Institute of Occupational Health and Safety compiled the first set of workplace fatality data in Australia and are well on the way to completing a second. As a result, we know that on average there are 500 traumatic work-related deaths in Australia each year—

As Dr Emmett says, it is 'a totally unacceptable situation'. He goes on to say:

In addition, the National Data Set for Compensation-based Statistics indicates that each year, 160,000 workers suffer a work-related injury or illness requiring at least 5 days off work—a figure of more than 3,000 each week.

It can be seen from those few figures that Senator Lundy is right and that what is needed is more and more preventative work to be done in industry generally, because the more injuries that are prevented, the better social return we have in the sense that people are not injured and that families are not affected by having a breadwinner injured. Of course, if we are going to think in economic terms, it is much better for the economy that people are not injured.

The research that is done by this body is very interesting. If one looks at where that is

dealt with in the report, on page 30 and thereafter, one can see the very interesting research that is done. For example, Dr Clare Pollock of the Curtin University of Technology did research into the influence of 12-hour shifts on errors, accidents, health and satisfaction. That is a very important area of research. Since you have been here, Mr Acting Deputy President Ferguson, you have no doubt experienced on many occasions the effect of 12-hour shifts. In this chamber, in the committee work or what have you, there are problems that that can bring about. Senator Herron is also very big in this area. I think he introduced a touch of sanity into the Senate in talking about this.

This is a very important report dealing with our national occupational health and safety situation. It is reading that I can commend to all honourable senators, to industry generally and to people who are in the work force.

**Senator HOGG** (Queensland) (5.29 p.m.)—I rise to speak to the annual report of the National Occupational Health and Safety Commission. I believe this is one of the most important issues confronting the work force affecting both the employers and the employees. It is one of the issues that transcends political, social and other boundaries.

In the time I was associated with the trade union movement, I noticed an ongoing deregulation of the safety and health regulations within the workplace. Of course, this report does nothing more than highlight what has taken place over a long period of time because of the general atmosphere and mode out there in the community to deregulation in some quarters.

That has tended to allow some employers to ignore the issue of safety where there is no compulsion, and they do so at their own peril. To ignore the issue of safety is to ignore the wellbeing and welfare of the employees. It is a short-sighted approach because it sees a cost to industry, a cost which industry cannot afford to bear when the drive today is for an efficient, effective and productive unit.

The cost to industry is in terms of replacement employees and in lost time at the workplace in general. The cost to the employees is generally in terms of their physical health

and, in many instances, their mental health. Their family wellbeing suffers as well. The issue of safety looms as the single most important issue outside of the wages or tenure of employment of employees, because it really gets down to the wellbeing of the employees at their workplace.

It is not surprising that, when surveys are done amongst employees, this issue invariably gets a very high billing. Employees have been confronted in many instances with employers who want to dodge, duck and weave the issue of health and safety because health and safety is a cost. It is seen as an up-front cost.

However, it is very pleasing for me to be able to say that there are some very well informed and well intentioned employers out there who take the issue seriously. They have been very serious in establishing health and safety committees. These committees look after safe work practices and look at a co-operative approach to developing health and safety so that both the employers and the employees are in a win-win situation.

The real challenge is to transform those employers who are not so well informed. They are ill-informed, ignorant of health and safety regulations and standards or see it as a burden upon their business. They should realise that, if they had proper health and safety practices, their business would be in a win-win situation—and so would their employees. This report draws attention to that very fact.

There is no doubt that the slashing of funds to the National Occupational Health and Safety Commission will put more workers at risk. There is also no doubt that an ounce of protection is better than all the cure that one can ever hope to find. I commend the report to the Senate.

**Senator WEST** (New South Wales) (5.33 p.m.)—In speaking to the annual report of the National Occupational Health and Safety Commission, I would like to speak about one specific area—Farmsafe Australia. It is a very important issue because farming is one of the three most dangerous occupations in this country. Mining, the timber industry and farming are those three, followed closely by the construction industry.

**Senator Hogg**—And politics.

**Senator WEST**—Politics? No, I am sorry. We work crazy hours, but we do not have the same occupational health and safety problems that they do in farming.

There is a very important organisation called Farmsafe Australia. Some of the work for Farmsafe is done through Worksafe itself. Worksafe is represented on the board of Farmsafe. Farmsafe Australia also has representatives from the farming organisations and the union organisations.

Farmsafe started in about 1988. I remember going to a conference at the University of New England in Armidale. They actually got the health professions, the unions, farming organisations and other interested groups together to discuss and look at the issue of safety on farms. As I said, it is a dangerous occupation. It is dangerous though not just for the person.

*Senator Panizza interjecting—*

**Senator WEST**—Senator Panizza, you are very lucky you still have all your digits. What about your back? Is it okay? Most farmers at your age are walking with a stoop and complaining of a bad back. Many farm workers, once they hit middle age or start to get grey hair, also have problems with their backs. If they do not have problems with their backs or their fingers, they could have problems with their hearing.

How is your hearing, Senator Panizza? Your hearing is not very good, and you are the first to admit it. It is industrial deafness. I am not sure how Mr Acting Deputy President Ferguson's hearing is, as he also comes from a farming background. I suspect that he has occupational deafness from tractors, from other noisy machine implements and from not wearing hearing protection.

Twenty or 30 years ago, when you were young lads farming, you did not think about that. If you had worn ear muffs, you would have been laughed at by your peers because it was not macho. It was not the in thing to do. Younger farmers these days are more conscious of it. Not only are they more conscious of it, their children are more con-

scious of it and their spouses are more conscious of it.

**Senator Panizza**—And they've got better cabs to work in.

**Senator WEST**—They do have better cabs to work in, yes, but not everybody can afford airconditioned cabs on their tractors, Senator Panizza. For those who cannot, they now have a much better range of ear muffs and hearing protection to choose from. It is very important that we do not forget that this is an issue that is always to be kept in the front of our minds.

But what is going to happen? Worksafe is suffering a cut to its funds and so is Farmsafe. I am very surprised that the National Party members are not in here protesting loudly and longly about this and getting stuck into their Liberal Party coalition mates, because they again have disregarded the needs of those in the rural areas. It is very important that we are conscious of this. The report says:

*In 1995-96 Farmsafe Australia Goals, Targets and Strategies, 1996-2000 was endorsed by the Farmsafe Australia board. The National Commission contributed to the development of the plan, which is designed to give focus to Farmsafe Australia activities to achieve maximum impact on health and safety in agriculture. The National Commission was represented on the board of Farmsafe Australia.*

But this occupational health and safety work in farming areas is of the utmost importance. One of the big focuses this year has been on the hazards in the shearing industry. Progress has been made towards developing occupational health and safety guidance material for shearers and on a draft profile of the risks associated with sheep and wool production. That is vitally important because the issue affects not just the farmers themselves but their employees.

When talking about occupational health and safety for farmers, we must also think about their families and the occupational health and safety needs of the young children of farmers. Children on farms tend to go with their parents and participate in many of the activities—and many farm activities are not terribly appropriate for the involvement of small children. Children around moving parts of farm equipment and machinery can be involved in disastrous situations.

Question resolved in the affirmative.

**Australian Trade Union Training Authority**

**Senator COONEY** (Victoria) (5.39 p.m.)—I move:

That the Senate take note of the document.

Unfortunately, and I use that word advisedly, this will be the ultimate or penultimate report of this authority because the Commonwealth government has withdrawn support for it.

I say it is unfortunate because the Australian Trade Union Training Authority provided training for unionists and for people associated with unions. The point is that the withdrawal of government support for this authority strikes not only at the union movement and the people within it but at the way this economy runs, or how it would have run in the future. To illustrate what I mean, I refer to page 15 of this report which states:

TUTA's approach ensures useful outcomes. Workplaces are left with action plans, tangible productivity measures to implement, processes designed to continue productivity gains and so on.

The report goes on to explain what that means.

**The ACTING DEPUTY PRESIDENT (Senator Ferguson)**—Order! The time for consideration of government documents has expired.

**PUBLIC SERVICE**

**Senator LUNDY** (Australian Capital Territory) (5.41 p.m.)—I move:

That the Senate notes, with concern, moves by the Government to:

- (a) reduce the role of the public sector in the delivery of government services; and
- (b) undermine Commonwealth conditions of employment.

I wish to focus on the themes of independence, fairness and honesty with respect to this government's policies for the Australian Public Service.

As expected from the architect of Fightback, the discussion paper on the future of the Australian Public Service released by the Minister for Industrial Relations (Mr Reith) was 'interesting'—and I use that word very carefully. The paper is 20-odd pages of

rhetoric and subterfuge, small on plans and initiatives but big on rhetoric aimed at getting the minister great press. He talks of efficiencies, competitiveness and autonomy. He criticises the Australian Public Service for being process driven with too much red tape and bureaucratic structures.

But the key principle when reviewing the functions of the government service is the question of what type of service we need in Australia. In the past we have demanded a service that is independent of the executive wing of government. I doubt whether Australians believe that the need for such a role is past. Indeed, more and more I believe that Australians demand a public service that is not beholden to the political whim of the people in this and the other place.

And good advice has always been objective advice. We have all seen the demise of people who only received advice that they wanted to hear rather than what they needed to hear—and the Australian Public Service is no different. Yet how do we achieve an independent public service? By removing the security of tenure and permanency and making public servants beholden to their political masters? I doubt it.

Looking at the appeals process for public servants, the government and its most senior public servant, Mr Max Moore-Wilton, who is shared between the Commonwealth Public Service and the Victorian government—a surprising touch of collectivism from the conservatives—are both critical of the appeals structure that is fundamental to the selection and promotion of people within the Australian Public Service.

The Australian Public Service has a fair and unbiased appeals procedure which may be incongruous to the private sector but which is absolutely vital to the independence of the public service. Remove this appeals process and you remove the independence of appointments and promotions. Career progression will depend on being with the in-crowd or worse, whether you have the Liberal Party membership ticket. We do not want a US-style public sector here with political party appointments where public servants live or die on the success or otherwise of elected

governments. The country needs a public service that is independent and free from party influences. We need a public service that will give advice fearlessly.

The rhetoric and diatribe in the paper put forward by the minister and the previous pronouncements made by him and Mr Max Moore-Wilton work against these principles. The government paper acknowledges the existing strengths of the APS. It acknowledges the professionalism, the high ethical standards, the responsiveness to government, the political independence and the public accountability of the APS, yet the government's paper is formed on the premise that 'the industrial and staffing arrangements for the Public Service should be essentially the same as those of the private sector'. At no stage does the government even attempt to explain how it expects to achieve this fundamental shift in Public Service structure without compromising those strengths that are fully recognised that I have just outlined. This is another step by this Liberal government towards dismantling and undermining an effective and professional service.

I turn to the question of fairness. Fairness is of great concern not only to everyone employed in the Public Service but to everyone who observes the work of the Public Service. They need to have confidence that the people they are dealing with are doing so in a fair and equitable environment. It is also interesting to note that at no stage did this government consult with public servants or their union before releasing this discussion paper on the future of the APS. There goes strike one on the issue of fairness.

The APS have undergone substantial change over the past 10 years under Labor, change that was implemented after consultation—and in conjunction—with the union. And this government's paper seems to be dictating rather than discussing change. They refuse to continue on the path that Labor initiated; rather, they have set up targets which they are aiming towards with no regard to the input and the contribution of those who are actually there performing the work. They want to set up public servants so that they can publicly bring them to their knees.

It is a common theme by the minister in that, although his paper may talk about respect for the professionalism of the APS, his own media focus has been on red tape and inefficient processes. In the view of the minister, these processes would not work in the private sector, but they are the processes which establish a structure for an independent service. The way the words 'red tape' are being used in the minister's public statements on this issue must have popped out of the same PR company as the words 'black hole'.

This government wants to crash through with its change in the APS, but it needs to stop and consider the public servant. I think the words 'public servant' are worth analysing at this point. They are people that perform work on behalf of the public. It is okay for this government to demonise their role, but we are talking about people who are committed to providing services for the public.

Over the last 10 years, these people have accepted, implemented and sometimes suffered relentless change—change that has resulted in professionalism and efficiencies that this government acknowledges in this report. This year the service was again rocked with change. Change is always expensive—a fact which is not being acknowledged by the government—yet they are pushing for more. I think it is time to stop and take stock of the situation.

It is interesting to hear the government talk of best practice and benchmarking, yet at no stage have they benchmarked their own changes to the Australian Public Service.

**Senator McGauran**—What about the McLeod report?

**The ACTING DEPUTY PRESIDENT (Senator Ferguson)**—Senator McGauran, return to your seat, please.

**Senator LUNDY**—At no stage have they had their own changes judged against best practice. Benchmarking is traditionally done against similar or like organisations, but benchmarking the public sector against a private company is a pretty unrealistic scenario—and it is a scenario that has been outlined by the minister. The private sector and the public sector are not the same. The fact

that this minister wants to move down this path symbolises the fact that the words and the actions do not match what is realistically required of an effective public service.

There has been no breathing space for the service to even bed down some changes that have already been made. It is learning to function effectively with fewer staff and less money. Before that has time to settle in—and let us face it: they have all suffered some pretty whopping cuts under this government that are already impacting on the services that they provide to the public—the government should at least act according to their words and benchmark their own reforms realistically. The fact that they are not doing so leaves this government quite exposed as to the massive gap between the words they use and the actions they take.

It is very demoralising for staff never to have the time to adjust to changes. If you applied the same process that this government is applying to the public sector to a private company, it would be interesting to see what the results were. Previously, in consideration of government documents, a number of comments were made with respect to Comcare and the levels of stress that workers suffer in the public sector. It is not surprising, when you put working people through change without consultation, without the right to participate in that process of change, that the stress levels go out of control.

**Senator McGauran**—Stress? Don't tell us about that. It is a roort.

**The ACTING DEPUTY PRESIDENT**—Order! Senator McGauran, could you please resume your seat.

**Senator LUNDY**—It is an absolute credit to the working people in the public sector that they have been able to cope in the way that they have. It is worth noting too that this paper repeats the assertions on outsourcing and service delivery that appeared in the National Commission of Audit report. These assertions are not justified in any way. Not only will these policies result in frightening levels of job reductions, but think of the workload and the restructuring required of the people that are left.

If this sort of change and restructuring were put on a private sector company, I do not think anyone would be sitting back and saying that they are a well managed business. I do not believe the way this government is handling this change in the public sector shows that it is a good employer. This government must realise that it needs to take the responsibilities of an employer in the true sense and to take into consideration the wellbeing, the health, the safety and the welfare of the people employed in the public sector.

The government has failed with respect to fairness to public servants and has not even attributed to them what it is claiming other workers will be entitled to. In the context of the debate we have had recently on workplace relations, I think this is a great irony.

I turn to the issue of honesty. Doesn't a commitment mean anything in Australian politics anymore? We have heard today of the lists and lists of broken promises by the Liberal government. When you look at the public sector, you see that this is a classic case of another series of broken promises.

When the Prime Minister (Mr Howard) was trying to convince public servants that the coalition was now their friend, he wrote to them to counter what he labelled a scare campaign by Labor. 'Misinformation,' the Prime Minister called it. 'Labor's lies and distortion,' the Prime Minister called it. He gave public servants rock solid guarantees. I think 'rock solid' must have come out of the same PR company as 'red tape' and 'black hole'. 'No more than 2,500 jobs lost. No redundancies—all through natural attrition,' said the Prime Minister. Yet now we face job losses nearing 30,000.

The then Leader of the Opposition also promised that his government would not cut or destroy public sector superannuation schemes or entitlements. Yet this week we saw the government try to rope public servants into the review of politicians' superannuation. Why? It is not as if the superannuation benefits of public servants and defence personnel compare with the superannuation rewards for those in this place.

Did the government intend to cover up negligible changes to politicians' super with wide-ranging changes to public sector superannuation? It looks like the government's sole purpose was to use the Democrats' motion as a backdoor entry into slashing the superannuation entitlements of Commonwealth public servants. The discussion paper on the Public Service released by the minister this week is another attempt to gain backdoor entry into cutting those conditions and entitlements.

The government's track record encourages, if not demands, suspicion. We in opposition and those out there who are doing the daily grind are forced to read between the lines with this government. What does this discussion paper really mean for public servants? The minister has already highlighted high levels of unnecessary bureaucratic processes and in the same breath focused on the fact that a public servant is entitled to so many different types of leave.

Is it the fact that there are 35 types of leave that is inefficient or is it the process that manages leave applications that is inefficient? He does not even differentiate. He does not bother. He does not even articulate, because his real motive is not to cut the red tape or look at genuine efficiencies, it is not to cut the red tape around the leave—it is to cut the leave.

**Senator McGauran**—That's rubbish.

**Senator LUNDY**—What leave will this government cut? Sick leave, parental leave, study leave? Senator McGauran, you seem to have something to say. Can you tell us which leave it will be?

**Senator McGauran**—It will be none of them.

**Senator LUNDY**—Will the government cut the leave that gives politicians the opportunity to employ public servants in ministerial offices? I doubt that very much. This government talks of efficiencies and attacks the process that ensures the selection of merit rather than favouritism or political influence. Employees of the government service can perform to their best in the full knowledge that with the existing appeals and selection

process their career will be rewarded on merit rather than on patronage.

The government is also highly critical of Public Service management, yet it proposes to reward senior management with highly paid contracts. Here is another great inconsistency. How about the real devolution of responsibility and remuneration to the people who have hands-on management of staff and programs? Let us have a look at what is happening in the private sector. Let us draw some comparisons there. But this government does not even do that despite what it has said about those comparisons. No, it wants to pay senior management private sector salaries and screw down the conditions of the bulk of the Public Service. This is what it means when it says it wants private sector management styles in the public sector: highly paid executives with the conditions and salaries of staff driven to the lowest common denominator.

The discussion paper put forward by Minister Reith will be the beginning of an attack on the employment conditions of public servants—if not via their take-home pay directly it will definitely be through the removal of security of tenure. There is nothing more important to working people in this country than job security. The minister's paper wants permanency of Public Service employment removed, while not really explaining what this means.

The paper infers that public servants should be employed for a job and when the program is complete or is dissolved then the employment is also dissolved. Contracts will not stop at senior management. They will be introduced throughout the service but with lower salary and wages. The government may talk of individual initiative in workplace relations, but instead we see, if we read between the lines, the collective lowering of conditions for all but the most senior management, who will end up being little more than toadies for the government.

The award simplification process under the Workplace Relations Act will see all award conditions that are not allowable matters abolished within 18 months. This has serious implications for public servants because many entitlements are administered under regula-

tions rather than awards. This has been the way of public services in Australia.

The paper released this week is greatly reflective of the minutes of the Treasury, finance and public administration government backbench committee which I raised in this place on 5 November. The minutes of that committee were a bit more open and honest. They recorded the minister promising a wide-ranging review of leave and allowance payments. This issue is not even mentioned in the discussion paper, but it is what we suspect will happen if you read between the lines. Either the minister was spinning a yarn to his backbench committee or he is not being honest with the Australian public. I suspect it is the latter.

Finally, this government has neither been honest nor fair in its dealings with the Australian Public Service. Their policies will erode the salaries, conditions and entitlements of those employed in the Australian Public Service and they will erode the independence and professionalism of the service itself. This government needs to be condemned for that. This goes to the heart of changing the nature of the way services are provided to the public. That is what we are talking about. This minister and this government can try to demean the public sector in public forums around Australia, but the bottom line is that it is the punters out there that will be the losers. When we are talking about public servants we are talking about people who serve the public.

**Senator GIBSON** (Tasmania) (6.01 p.m.)—On behalf of the government, I point out to the Senate that the government will oppose Senator Lundy's motion. We believe that her motion as framed is misconceived. The Senate would rightly be concerned at any move by a government to reduce the role of the public sector in delivering government services and in undermining the conditions of employment of public employees. If that were to occur, the Senate would be rightly outraged. However, that is not what this government is about. It is not what this government is doing.

To understand this misconception, let us look at the two elements of the motion with some care. The first limb of Senator Lundy's

motion concerns the reduction in the role of the public sector in the delivery of government services. Obviously, this immediately raises the rather speculative issue of what functions constitute a government service and what is the absolute limit on an acceptable role for government. In the broadest sense, the public sector exists to perform functions for the public.

History demonstrates that across the world the role of the public sector has become more specifically defined and limited over time—not diminished, just refined. Usually this has resulted from a combination of many sociological and commercial factors. In recent years, it is clear that the realities of public finance have been a primary factor for governments of all political colours. Only those who have never faced the challenges of government can afford the luxury of purest thinking on this matter.

The starting point of this analysis rests in the acceptance that the public sector is funded by the taxes taken or given by the citizens. As tax revenues are generally regarded as limited, governments have always been required to define carefully exactly what services the public sector should deliver. I acknowledge that, were governments to act without restraint in increasing taxes, the need to carefully scrutinise the role of government would be less demanding.

Given the record of the previous government in increasing taxes and increasing debt, it would be tempting to suggest that the Labor Party avoided this critical issue of evaluation in its 13 years in government. But that was actually not the case. I shall return to that theme in a moment. Unlike the apparently reconstructed Labor Party under shadow Treasurer Gareth Evans, with its desire for higher taxes on average taxpayers, this government does not accept that increasing taxes is an appropriate way to avoid making public policy decisions, particularly not in respect of how best to define and structure government services.

In making an assessment as to what should be a service delivered by government, it has been appropriate to look, in the first instance, to what services the public require or demand

and whether those services are delivered by any other organisation, group or individual. Where a service is already provided to society at an efficient price and in an appropriate quantity, governments have generally determined that they have no role in further providing that service. Where there is a market failure in service provision or quantity, quality or price, governments have often determined that they should, in the public interest, provide some level of service.

The fact that governments have over time made these decisions and then reassessed the validity of their conclusions should not come as a surprise, even to this opposition. Indeed, it was not that long ago that the Labor Party thought the federal government had a role in owning operations which provided aviation services, banking services, pharmaceuticals, national gas pipelines, insurance and even catering services.

I can only assume that the Labor Party at some time reassessed its vision of the role of government and determined that there were higher priorities for public expenditure. Of course, I am aware that there are still some in the opposition who would like to return to providing those particular services, but the world does move on. All I would say to those in the opposition and others who see themselves as religiously dedicated to the role of government is: beware—a defence of public service which is extreme or based merely on the premise that the public sector can provide the given service runs a very real risk of losing credibility with the broad public and distorting the true nature of the Public Service.

Let me be clear. This government not only accepts but also endorses the premise that there is a role for the public provision of services. What we do not accept is a view of the world which declares that everything the government presently does must always be done by government. Such a view is a recipe for stagnation and decay. Evidence of the past 13 years does not indicate that the Labor Party generally supports such a view. At least it does not indicate that the Labor Party pre 2 March this year supported that view.

For the 13 years from March 1993, the Commonwealth Public Service was in a state of constant review, if not regular change. Structural review of establishments leading to the creation of mega-departments; program management; the wider application and development of broad computer technology; multiskilling; the embrace of social, health and cultural programs of reform; human resource management; performance pay; financial management improvement and accountability; privatisation; the resource management program; outsourcing; competitive tendering; purchaser-provider splitting; devolution; strategic management; and corporatisation were just a few of the many reforms announced in triumph by Labor over the past 13 years.

The opposition should perhaps also consider that over those 13 years the number of employees within the Commonwealth Public Service has actually declined, that is, after adjustments are made for the functions that were removed from the Public Service over that period. Given that outcome, can we assume that the former Labor government was actively seeking to reduce the role of the public sector in delivering government services? Some may believe so, but I certainly do not.

What the former government was doing and what this government will continue to do is seek a proper and financially responsible role for the Commonwealth in providing essential public services to the people of Australia at a cost that encourages support for the provision of those services. No senator should be unaware of the fact that the greatest threat to broad public support for the Public Service stems from the possible development of a belief in the public's mind that the taxes they must pay to government are wasted on inefficiencies in the bureaucracy.

The only way to prevent the rise of a fear such as this is for the government to carefully define its priorities and to concentrate public resources on essential public functions. That is what this government is trying to do. That is why this government has looked long and hard at where it spends taxpayers' money and determined its priorities accordingly. That is

why this government, before the last election, spelt out those priorities to the Australian people and sought and obtained the Australian people's endorsement. That is why the actions of the opposition in voting down the government's budget measures are an insult and attack not on the government but on the majority of the people who supported our side in the last election.

The second part of Senator Lundy's motion expresses concern at apparent moves by the government to undermine Commonwealth conditions of employment. I assume she is referring to the discussion paper released by the Minister for Industrial Relations (Mr Reith). I find it hard to see how this paper could be said to undermine conditions of employment. Perhaps some people with a vested interest may be concerned at removing unnecessary regulation, freeing up administrative processes, reducing unproductive activity, rewarding excellent achievement and eliminating the last vestiges of a bureaucratic system designed for a time long ago when status was defined by title rather than by achievement. Some people may be concerned, but not many.

Let me briefly quote some of the passages from the discussion paper and let us consider how worried we all should be. On page 2, the paper states:

This Discussion Paper seeks to examine how we can build a high performance APS. It starts from the fundamental proposition that success will depend on the establishment of a rewarding working environment for public servants.

Surely the opposition does not object to this fundamental statement. Again, on page 3, the paper states:

The Government is determined to provide the flexibility in the workplace that is required to promote innovation and to recognise creativity.

Should the Senate be concerned at this suggestion? I think not. Again, on page 4, the paper states:

The underlying imperative is for the APS to benchmark the quality and efficiency of its operations against best practice and then work to overcome the gaps.

Surely this is what the Australian people expect. This statement is not a cause for

concern but a cause for applause. How will this goal be achieved? The paper goes on to say:

... the APS needs to build on its traditional strengths—its professionalism, its high ethical standards, its responsiveness to government, its political independence and public accountability. It must preserve the cohesiveness of the APS that derives from a commonality of purpose and values ...

Again, this statement is not a cause for concern. It is fair, reasonable, balanced and unexceptional. So too is the next statement on page 5, which states:

... a principle object of the APS reform process is to provide a framework for cooperative workplace relations and encourage higher productivity.

Again, on page 11, the paper states:

Government is committed to delivering a framework in which Agency Heads can recruit, develop and deploy staff in a manner that delivers optimum performance and value for money to the Government and the community.

There are many more quotes that I could use from Minister Reith's discussion paper. That discussion paper is a canvass that offers the potential for the liberation of and the empowerment of all public servants. Naturally this process must be undertaken with caution and with an eye to the public responsibilities of government service. It is a process which will need much consultation and involvement from a great many. Trade unions, senators and all interested individuals should put forward their views.

This discussion paper should be read in light of the government's genuine desire to advance the social and economic interests of all Australians. The Public Service exists to serve all the people of Australia; that is, what is in the best interests of the Australian people will be in the interests of the Public Service. This government supports a review of the Public Service. I welcome the distribution of the minister's paper.

**Senator ALLISON** (Victoria) (6.12 p.m.)—The Australian Democrats are quite concerned about the direction this government is taking with its public sector policy. It is our view that an independent, competent, fearless, honest, accountable and adequately resourced Public Service is absolutely essential for a

functioning democracy and, I would say, for a functioning economy.

The World Bank, an economic rationalist outfit if ever I saw one, listed an independent and competent public service as one of the five key criteria for sustained economic growth. It is an essential part of the Westminster system. Yet, bit by bit, this government appears determined to undermine our Public Service and, in the process, breach an awful lot of its own election promises.

The government's budget was the biggest lie in this respect. The coalition's pre-election public administration policy could not have been clearer. The policy went to great pains, as did the Prime Minister (Mr Howard), to assure public servants that there would be no sackings. It made it clear that the cut to running costs would involve over 2,500 positions over the first term of the coalition government—a process of natural attrition with no forced redundancies.

That promise was jettisoned, along with \$12.4 billion worth of promises flushed down that black hole of political honesty. This budget will knock out up to 15,000 public sector jobs over the next two years. That is on top of the 22,000 jobs Telstra is knocking off currently and, thanks to the decision to sell Australian National, I imagine we can expect several hundred more jobs to go there as well.

Then there is public sector superannuation. The Prime Minister gave a rock solid guarantee that the scheme would be kept in its entirety. Yet the Minister for Finance, John Fahey, tried to add to the terms of reference for the limited Senate inquiry the Democrats proposed on politicians' superannuation in order to deliberately undermine this commitment. The government tried to open up the issue with an express term of reference seeking to compare the public service sector scheme with the superannuation guarantee levels. Being a Victorian, I know where that path is going: Jeff Kennett has already taken us there, cutting public servants back to the minimum level guaranteed by the SGC.

Then there was an attack on paid rates awards. The pre-election commitment was that, over time after consultation with the parties, paid rates awards would become

minimum rates awards. The workplace relations bill, however, said otherwise. The paid rates awards would have to be slashed back in 18 months or sooner if the employer applied for it. The Democrats, after some hard bargaining, got those provisions changed with paid rates awards able to be put in place if negotiations break down over a certified agreement.

That brings me back to the latest chapter in broken promises to the Public Service—the discussion paper on the Australian Public Service. I do not propose today to present a critique of that discussion paper. It is something that the Democrats will do later. I am not saying that the process of public sector reform should stop, but let us remember that Public Service reform has been a continuous process ever since the Coombs Royal Commission on Australian Government Administration back in 1976.

The last government introduced wide-ranging financial and management reforms, reform now being adopted in many other countries too. Our public sector is certainly not large by international standards. It is delivering quality service—that is, if you put aside the ideological bent that pervades far too much of the economic advice from Treasury and Finance.

The Democrats believe the public sector should keep adapting to contemporary conditions. If there are lessons to be learned from the private sector, then let us adopt them. But let us not blindly follow private sector dictates. Running a fruit shop or a widgets factory is a bit different from running a policy department. We think that essential difference should be recognised.

Things like performance pay, which have been of occasional value in the private sector, have been a dismal and very expensive failure in the public sector. A Senate committee found it was a waste of \$60 million a year. So ideas like that have not worked, but other ideas could work.

In the United States, there are a wide range of reforms going on to de-bureaucratise—if I can use that word—the Public Service, and to seek to encourage individual effort and commitment by more use of autonomous

teams and units. Subject to appropriate accountability measures, the synergies of such reforms might be very useful here too. Let us adapt, let us learn, let us progress, but let us not treat public sector reform merely as a cost cutting exercise or as an ideological attack on the government's work force.

**Senator COONEY** (Victoria) (6.18 p.m.)—Thank you, Madam Acting Deputy President.

**Senator McGauran**—Five minutes.

**Senator COONEY**—Senator McGauran, would you like my five minutes? Yes, I think you would. There are some matters to be raised in this present debate which is a very important one. I want to address the issues that Senator Gibson was talking about. They arise out of this discussion paper which has been issued by the Minister for Industrial Relations and Minister Assisting the Prime Minister for Public Service, the Hon. Peter Reith.

It is quite clear from that paper that this government contemplates a very major overhaul of the Public Service, and the great issue is whether that is called for. It would be my position that it is not. On page 6 of this report, this sentence appears:

The commitment of this Government is to rewrite the Act so that it provides a firm foundation for the future.

It is not a matter of adjusting the act or of making things better; it is a matter of rewriting. It is to be rewritten so as to make the Public Service subject to the same sorts of forces as is the private sector. That may seem a reasonable proposition until you read further into this particular paper. The government not only wants the Public Service to run more along private sector lines in some respects but at the same time wants the Public Service to continue, in many ways, its present thrust. It is quite clear on page 6 that the government understands that, because it says:

Legislation can play a pivotal role in describing and establishing the core principles, values and characteristics which create the distinctive culture and ethos of the APS.

So it says that the Australian Public Service has a particular culture and a particular ethos. Yet this discussion paper put out by the minister goes right against that very proposi-

tion. It contemplates that the APS is the same as the private sector and does not have a distinct culture and ethos. This paper goes on to say that the new act should provide:

. . . a legal basis for the Parliament to express the important values and cultures it wants in the APS.

It is not available to parliament to express the important values and cultures it wants in private enterprise, nor should it. So within this document that we are talking about there is a very strong reason for treating the Public Service differently from the private sector. The report is contradictory, and I suggest that the minister and the government rethink the propositions they put forward in the document. The real worry about this report appears on page 14, where it says this:

One of the differences between the private and the public services is that the public service operates within a framework of administrative law.

That is absolutely correct. It does operate within the framework of administrative law, and so it should. The report concedes that. It says:

Australian citizens, quite appropriately, are offered assistance and protection in their dealings with government.

It then says that public servants should not be entitled to the help of the administrative law to which every other citizen is entitled. It says:

Yet, for less good reason, APS employees have access to the same administrative law processes . . .

Isn't it dreadful that public servants, who are praised in this document, should not be entitled to the same administrative legal process to which the rest of us are entitled? That is a matter of great concern. With the cutback in legal aid, is this another thin end of the wedge? I ask government senators following me in the debate to explain why the protection of a law that every citizen of this country should be entitled to should be withdrawn from public servants. Is this just the leading edge to where less and less protection is allowed us by the law? Another chilling line in this document reads:

The reduction of legislative prescription will work to reduce unnecessary and costly litigation.

If this government is putting the proposition that savings can be made by taking away rights, by reducing the ability of citizens to go to the protection of the law, then we are all in trouble. This report has great and grave implications not only for those who give us public service in this country, but for every one of us.

**Senator CHAPMAN** (South Australia) (6.25 p.m.)—No-one could really take seriously Senator Lundy's motion which we are debating this afternoon and which reads as follows:

That the Senate notes, with concern, moves by the Government to:

- (a) reduce the role of the public sector in the delivery of government services; and
- (b) undermine Commonwealth conditions of employment.

This misleading proposition is just another extension of the union movement's false campaign of fear and loathing promised by the ACTU during the last election and already exemplified by its campaign against the workplace relations bill during its passage through this parliament and the not-to-be-forgotten Parliament House riot. Yet again, Labor's real objective is not the protection of public servants but the protection of trade union power, in this case the massive power of public sector unions.

Let me give the lie to the presumption in this motion that the proposals by the Minister for Industrial Relations, Mr Reith, for consultation on public sector reform are an attack on public sector employment. Let me remind the Senate of Prime Minister Howard's statement on 9 May 1996:

There will always be a need in our society for a strong, professional, highly intelligent and well organised public sector. There will always be important public sector functions; there will always be roles of government that must be performed by full-time public servants.

That simply reinforces that this motion is nothing but a piece of nonsense. The Public Service Act was introduced in 1922 and has evolved over time with the effect of subjecting the Australian Public Service to a complex network of archaic, rigid and cumbersome regulations. The result is a public

service which is constrained and stifled by process and unnecessary regulations through statutes and associated delegated legislation.

The government believes that high standards of professionalism are required to implement government policies and programs. Equally, stronger incentives are required to attract and retain skilled, objective and professional public servants. To this end, the Minister for Industrial Relations, Peter Reith, announced on 21 June 1996 that the government would embark on a consultation process to develop a reform package for the Australian Public Service. The consultation process will involve meetings with public servants, relevant unions and management consultants to examine the interaction of the workplace relations act with public service enterprise bargaining arrangements.

The government's goal is to improve the overall performance of the Australian Public Service and at the same time ensure flexibility while emphasising innovation and recognising creativity and commitment. The necessity for this action is obvious. The Australian Public Service no longer enjoys a monopoly in the delivery of government services. It must prove that it can compete on cost and quality with best practice in the private sector.

It is quite unable to do this effectively given the complexity of current regulations. Just one example of this is the 500 pages of legislation, guidelines and circulars specifying requirements for recruitment and selection. It costs \$28 million a year to administer the Australian Public Service selection processes. Recruitment and selection cost three times what best practice in the private sector costs.

The cost of such inefficient recruitment methods is ultimately borne by the community and it can no longer be ignored. The private sector would come to a grinding halt if it took the more than 120 days average time elapsed from the time of notification of a vacancy until the appointment of a successful applicant which it takes the Australian Public Service.

Consequently, it is proposed that the act be revamped to remove its regulatory prescriptions and to reform a process driven culture borne of regulation and an entitlement men-

tality. Instead, it is proposed that the act will continue to articulate key ethical values, standards and principles of public service—that is, accountability, party-political impartiality and fairness in dealing with the public—but ensure that arrangements for Public Service employment are brought into line with those applying in the wider Australian work force.

Currently, the Australian Public Service approach relies on unrealistic presumptions—that the Public Service is a uniform labour market and that equity necessitates identical treatment of individuals. Application of merit in employment arrangements are bound in a grievance mentality. The government starts from a fundamental proposition, namely, that the industrial and staffing arrangements for the Public Service should essentially be the same as those for the private sector. In general, the employment framework for Commonwealth employees should ensure that industrial relations and employment arrangements similar to those in the wider Australian work force apply in the Public Service.

It is proposed the employment conditions, including remuneration, inefficiency and termination procedures, should be left to the same industrial relations processes that apply in the wider community. Consequently, Australian Public Service employment conditions such as permanent employment, external review of selection processes, payment of higher duties allowances and mobility arrangements which provide public servants who leave with guaranteed return rights, will need to be examined carefully.

More flexible and responsive employment arrangements will lead to increased development of recognised and transferable skills, remuneration arrangements which better reflect levels of skill and performance, more options for working hours and leave arrangements, and better balance for Australian Public Service officers of family and work commitments.

Public servants will enjoy the same protections as the rest of the work force under the government's workplace relations legislation. Certified agreements will be able to be reached with unions or directly with employ-

ees and such agreements are likely to continue to be the most prevalent form of agreement under the Australian Public Service agencies.

It is the government's expectation that Australian workplace agreements are likely to be a particularly favourable option for discrete categories of employment. Collective agreements and Australian workplace agreements will be subject to vetting against a global no disadvantage test based on simplified awards.

It is proposed that the Public Service will move to simplified awards with greater emphasis on the individual agency and solving workplace problems at the agency level. While paid rates awards will be phased out over time, workers under paid rates awards will not have their take-home pay cut and they will not suffer as a result. When Australian Public Service paid rates awards are converted to simplified new awards, the conditions of employment in simplified awards will not be reduced in terms of their standards.

These significant reforms involving a move to simplified awards—including, as I mentioned, the phasing out of paid rates awards and overtime under the auspices, it should be noted, of the Australian Industrial Relations Commission—emphasis on resolving grievances at the agency level, and greater emphasis on agreement making, will require changes to the Public Service Act. Other legislation which will be looked at are the Merit Protection (Australian Government Employees) Act 1984 and the Members of Parliament (Staff) Act 1984. The National Commission of Audit found in June 1996:

... The current highly centralised, inflexible public service employment provisions do not meet the diverse needs of a modern public sector and represent a significant impediment to efficient program delivery.

The changes will provide the Australian Public Service with greater freedom to manage, including the ability to decide on systems for rewarding high performance and to adopt streamlined administrative procedures to overcome these shortcomings. The Public Service Commissioner, as an independent statutory office-holder, will be given the

powers to set standards for public administration and to evaluate people management across the service.

The government is considering the introduction of formal performance agreements for agency heads. This accountability framework is designed to ensure that the performance objectives set by government are known to the public. Equally, the leadership potential of the Senior Executive Service is to be further developed. A matter for further consideration is whether explicit written employment agreements should be introduced for members of the Senior Executive Service. Such agreements would bring the Australian Public Service into line with arrangements applying to the private sector and to some state and territory governments and could be underpinned by Australian workplace agreements which link remuneration to an annual performance agreement.

There could be flexibility in relation to employment agreements, providing for indefinite terms or fixed term contracts for time limited projects. The current Australian Public Service Enterprise Agreement—Continuous improvement in the Australian Public Service 1995-96, operates in conjunction with extensive Australian Public Service awards, various public service legislation and individual agency agreements. When it expires at the end of 1996, replacement with arrangements consistent with the award simplification process will be pursued, with an emphasis on the individual agency and workplace.

Where unions are parties to agreements, support from them for particular workplace reforms will be required. This should work to promote employee participation in the reform activities of their agencies and allow for sharing the benefits of improved performance. Various options for productivity-linked bargaining exist. The workplace relations legislation outlaws discrimination in employment on a number of grounds, including age, membership or non-membership of a union and family responsibilities.

Consistent with the principle of non-discrimination, the government intends to repeal compulsory age 65 retirement, an issue where, under Labor, the Commonwealth lagged

behind other jurisdictions. I well remember some years ago, at a time when I was acting shadow minister for the arts, dealing with a bill in which age discrimination was rampant. I sought to amend that bill in this place and that attempt to remove age discrimination was denied by the then Labor government. This government will rid it of that age discrimination.

The present government will ensure a far more supportive environment. Public servants will enjoy the same protections as the rest of the work force under the government's workplace relations legislation, as I said a few moments ago. I cannot emphasise that too much. The government believes that, to achieve improved performance and employment practices which return the best outcome to the government and to the community, while retaining a highly skilled and professional public service, a new, flexible employment framework is essential. To achieve it, Australian Public Service managers will be given legislative, industrial and administration flexibility.

The Public Service will no longer enjoy a monopoly on the delivery of services to government. The Public Service will have to compete in areas of cost, quality, efficiency and effectiveness. These proposed changes will, therefore, be essential to ensure that the Australian Public Service is able to achieve these goals. The purpose of the government's proposals is to provide a genuine opportunity for the Public Service and the wider community to respond and to contribute innovative ideas. It is not designed to reduce the size of the Public Service and it is not an attack on public servants or their terms and conditions.

I remind the Senate—especially those Labor senators opposite—that the McLeod report, commissioned by the previous Labor government, concluded that after a decade of Labor government the need for reform of the Australian Public Service was urgent. In conclusion, the Senate should ignore the attempts at gross misrepresentation to whip up fear and loathing against the government's reforms which are inherent in this motion.

**Senator MACKAY** (Tasmania) (6.39 p.m.)—I rise in support of Senator Lundy's motion. I would like to make some general comments on the discussion paper which has been released by the minister. I read with some amazement the paper that was produced by Minister Reith. Quite frankly, some of the euphemisms are used to dress up what is, from our perspective, a fairly clear and unrelenting attack on the public sector. It seems to be more than an attack; it is a dismantling of the public sector. It is another example of the ideological obsession this government has to obliterate the functions, and potentially the very existence, of a strong and viable public sector.

Let's cut to the chase in terms of the real agenda. The view of this government is very clear—public sector bad, private sector good. This is despite all evidence to the contrary. The public sector is exactly that and does exactly that. It provides a public service. This government is determined not only to take the 'service' out of public service but also the 'public'.

Why do we have a public service? We have a public service in order to provide functions and services where the private sector will not or cannot provide those services. The public sector is a key element of our economy. The public sector is a key player in our economy. Not only does it provide services; it also provides a useful tool in relation to economic intervention, something I know the other side of the chamber is not interested in either. The services that the public sector provides and the fact that it is exactly that—a public service—is axiomatic. It would seem simple; it would seem obvious; it would seem something that everybody would take for granted, given the history of the public sector in Australia and the excellent service it has provided to Australians. But not to the other side!

There are a series of questions that the paper raises. Probably one of the most critical is the question of impartiality. Minister Reith highlights the notion of impartiality a lot in the document that has been distributed. How can impartiality exist when what is being proposed is devolution of responsibility to

agency level for virtually everything—determination in relation to service provision, conditions, salary and so on? How can the public sector possibly remain impartial?

Then we come to the issue of Australian workplace agreements. They will exist. They will exist in the public sector. Let's not kid ourselves or have the other side kid themselves. We have already had initiatives in relation to state governments. I think one senator mentioned earlier in relation to the Kennett government and also the Queensland government that there is a clear intention to introduce AWAs into the public sector, with all the dangers that they entail.

AWAs—as everybody on this side knows—are individual contracts. What they are about is a contract between an employer and an employee and all the difficulties that this side of this chamber has raised with regard to secrecy provisions and so on. This will contribute to the dismantling of the public sector and clearly compromise beyond any question the notion of impartiality.

The so-called flexibility that Minister Reith has spoken about ignores the potential for favouritism. Obviously, if you have got a public sector where decisions in relation to recruitment, service provisions, conditions, wages and so on are devolved to the extent that this paper provides for, then you will get favouritism. You will get nepotism. You will. That is the way it is going to operate. How can you be impartial under that sort of regime? Impossible, absolutely impossible.

The question we should all be asking ourselves is: what about the duty to the taxpayer of ensuring confidence in the public sector and ensuring that the public sector is independent and neutral? You don't have to believe me on this point. An editorial in the *Australian* on Tuesday, 26 November said:

The other area where the Government must provide convincing reassurance is in protecting the service's political impartiality. There can be no excuse for failure on this issue; nobody squealed louder about Public Service 'politicisation' than Coalition MPs in opposition. For all that, the Public Service retains its reputation as one of the most professional and least partial public service organisations in

the world. Maintenance of this reputation should be one of the benchmarks Mr Reith sets for his reforms.

There is no doubt that maintenance of this world-class reputation for impartiality will go out the window. We will see a genuine politicisation of the public sector. We will see notions of favouritism and nepotism thriving.

Let us deal with the question of merit. The government describes the process of ensuring that merit is systemic in public sector selection processes as unnecessary red tape. In an AWA, where you have individual contracts and the sorts of difficulties I have already described, it is going to be very difficult to ensure the application of merit. There are systemic barriers to recruitment that exist under the current system, particularly with regard to women. An example of systemic discrimination is the apocryphal glass ceiling. There is no way that is not going to be enhanced if these initiatives become legislation. There is no doubt at all.

In terms of the way the public sector is described in this paper, I wonder how all those public sector workers out there feel about the way the government is describing them. How would you feel if you were in a public sector workplace and you were described the way Minister Reith has described the public sector? In my reading of this he has demeaned and diminished the service that public sector workers provide. What will happen and what has happened in the first couple of rounds of public sector cuts is that morale goes down and has gone down—morale in the Public Service at the moment is rock bottom.

People are concerned about job security. There is no way in an atmosphere like that that you are going to get high levels of productivity. Of course you won't. You will not get that extra bit of effort that people put in. There is also the notion of how we can attract the brightest and the best, which is one of the objectives of this paper. In relation to that, I would like to read an extract from an editorial of the *Canberra Times* of Tuesday, 26 November:

And not enough attention is being paid to the difficulties the public service has in attracting and

retaining the best and the brightest Australians at a time when politicians and senior administrators continually deride the idea that there is anything special about the Public Service, when they insist that public-sector work ought to be regarded as no different from work in the private sector, and when capacity and experience in effectively managing staff is the least regarded virtue in senior administration.

Quite right—I could not agree with that more. What will happen to wages under the deregulated, newly flexible public sector? Do not listen to me; I will quote from the *Australian Financial Review*, again from Tuesday. An article from Louise Dodson says:

And although the paper indicates public-service salaries and conditions should be deregulated to encourage greater movement, it still remains unlikely that pay levels would match those in the private sector.

For this reason, the movement is likely to be one way—with the most talented and in-demand public servants moving to higher paid private-sector jobs and few qualified executives from the private sector wanting to move to the bureaucracy.

That is also quite right. I have just quoted from the editorials of three papers in terms of their initial response to this discussion paper.

We move on. The paper says that any future wage increases will be based on productivity. How do you measure productivity in the public sector? We had great difficulty in determining what productivity was during the reference of the workplace relations legislation. Nobody, including employer groups, could give us an answer. Another question is about salary bonuses. What would they be based on—and what would productivity be based on? Is it a matter of how many people you can chuck off disability pensions, is it how many people you can chuck off unemployment benefits, is it how many services to the public you can cut, is it how many jobs you can get rid of?

I will tell you what it will not be: it will not be measured by spending a lot of time with a client who has great difficulties in terms of those disabilities, and it will not be measured by spending a lot of time with a client who has been unemployed for two or three years and who is attempting to get a job. It will not be based on that. That will not be regarded as productivity—no way under this government.

The reality is that we have what one newspaper aptly described as the atomisation of the public sector. I think that is quite correct. It is about dismantling and atomisation. Wage differentials will become commonplace and conditions differentials will become commonplace. The report even suggests that a tax office clerk in Hobart does not need to earn as much as someone doing the same job in Sydney—same job, different state. In all seriousness, what if this were applied to the Senate? What if Tasmanian senators were paid less because they come from Tasmania—I notice Senator Watson is looking aghast at this prospect; and I am as well—than senators from, say, South Australia, Madam Acting Deputy President? I imagine that senators would have great difficulty with the concept that wage differentials would be applied in terms of what state we represent even though there are the same number of senators from every state, which is not the case for tax office clerks, might I say.

Let us look at this paper more closely. This paper was written as if there had not been a review of the Public Service Act—but there has been. The CPSU and associated unions have been involved in the lengthy review of the Public Service which was commenced under Labor. There has already been much work done and the recommendations are ready to go. The Public Service are ready and willing to cooperate—or were. They have already accepted that things like leave loading would be built into salary payments, for example, which would save considerable amounts in administration and this paper talks a lot about the cost of administration.

This paper also cites studies. The studies have reportedly been done by consultants of private companies, but there is no indication about who those private companies are. They are, therefore, not verifiable. So we have unverifiable, unnamed private companies and, clearly, an attempt to compare apples with oranges. It is nonsense. In terms of public sector management, you have to compare apples with apples; you have to compare public sector management with other public sector management because the public sector

plays a different role from the private sector in terms of our economy.

There is an inference, as I said, that private companies in the private sector and the public service are comparable. There are considerable differences. We do not require the same level of accountability, for example, from BHP as we do from the Australian Taxation Office. The whole *raison d'être* and the whole rationale for the public sector and the private sector are fundamentally different.

We already have considerable flexibility in the public sector. I notice some government senators have already mentioned a number of reforms that occurred under Labor with regard to that. We have a common work value standard agency to agency, for example. As I said before, Minister Reith wants different conditions, different wages and different ways of operating on an agency to agency basis. He would have boards of management for each agency with the power to hire and fire, as I mentioned before. The public service is based on a skill acquisition model and involves a career based service. The minister would have to move to a churn and burn model. We would certainly lose people to the private sector and, therefore, career paths would be lost.

Many of the issues in this document have already been considered. Many of the issues in here are currently being addressed by the 1995-96 enterprise agreement in the APS. The so-called imperative for change, as has even been acknowledged by Senator Chapman, has been unremitting in the public sector since 1987. The paper talks about flexibility, the withdrawal of appeal and grievance provisions and CEOs agency by agency becoming the employers. It talks of workplace agreements being worked out for individual agencies and of agencies becoming employers in their own right. The result of that will be the loss of the career public service. It will go.

There is nothing new in the fact that we need a new public service act. The CPSU itself was involved in the review of the Public Service Act. There was an agreement with the past Labor government to transfer any conditions matters contained in the Public Service Act into relevant awards. The transferring of

conditions to awards would not be an option under the Workplace Relations Act.

The issue of the charter for government performance was addressed in the 1995-96 enterprise agreement, and one clause of the enterprise agreement is actually headed 'Charter on best practice in the Australian Public Service'. You cannot get much more similar than that. The reality is much of this work has been done and a lot of these changes are ready to go. We have a government that is not really interested in genuine public sector reform; it is interested in an ideological agenda in terms of the atomisation, the dismantling, of the public sector.

Who will be the losers? It will be not only the public sector workers who will lose their wages and conditions, or who will lose their jobs, but also the people of Australia will be the real losers. They will lose services which they critically need. We have already seen this happening under this government in relation to a number of initiatives, and it is the same with services, particularly in regional areas. We have already seen the closure of a plethora of CES offices, of tax offices and of Medicare offices. The real losers as a result of these initiatives will be the people of Australia.

**Senator COONAN** (New South Wales) (6.57 p.m.)—What is surprising about this afternoon's motion, to me anyway, is that it has been brought forward at all, particularly after what Senator Mackay just said. The gist of the recommendations covered in the discussion paper 'Towards a Best Practice Australian Public Service' has been agitated and canvassed before under the previous government. There is, or should be, if previous utterances by the former Labor government are any guide, relatively speaking a bipartisan approach—and certainly bipartisan agreement—that there is an urgent and ongoing need to improve the performance of the Australian Public Service.

In explicitly recognising the imperative for change in the Public Service, the 1994 McLeod report implicitly criticised the failure of the past 13 years of Labor administration to achieve meaningful reform of the Public Service. That is not to say that attempts by

the Public Service to achieve better outcomes ought to go unremarked or unrecognised. Certainly, for instance, the evolution of Telstra from a public service monolith to a modern telecommunications organisation is one example of some success in this area. Telstra did it by achieving 100 per cent improvement in labour productivity by cutting back on non-core services. Yet, generally, these sorts of attempts have not delivered best practice or acceptable outcomes in other areas.

The question for this government is how to create the conditions that will enable the Public Service to build on the reform process it has started, to define its core business, to contract out work that can be done more efficiently by others, to develop flexible practices, to concentrate on outcomes rather than processes and to provide a workplace and career structure capable of attracting and retaining a productive work force. The Public Service cannot be immune from the basic tenets of 'best practice'. And, one would ask: why would it want to be? The notion of a lumbering, overblown public service bound up in red tape belongs in the past. The notion of public service—to serve the public—brings with it the expectation that we will have access to government in as efficient and effective a way as possible.

We are here today debating a motion of concern, but where is the cause for concern in investigating means of improving our Public Service? Where is the cause for concern in investigating better ways of doing things, ways to increase productivity—productivity that is not just concerned with quantitative output but also concerned with qualitative output? Best practice—an analysis of operations and a possible re-engineering of activities to achieve improvements in efficiency—is not, as those propounding this motion would suggest, some ideological attack on the primacy of the Public Service. It is a commonsense process followed by government and by private enterprise alike.

The National Commission of Audit report cites a range of possible efficiency gains between five, 10 or 15 per cent which might be achieved without major Public Service

reform, and more impressive figures—near 30 per cent—if we embrace the culture of change. Among the measures that can achieve this kind of efficiency improvement are competitive tendering and contracting out—linchpins of the national competition policy.

There can be little doubt that we are now in the age of competition—an age the previous Labor government ushered in. If our public sector is being expected to operate in an environment of competitive neutrality, to compete against private enterprise, it must be streamlined. It must exist in a form where it is competitive. If services provided by the public sector are going to be contracted out, the Public Service will of itself become streamlined.

Contrary to the rhetoric that we have heard this afternoon, this government is not immune to the impact Public Service reform may have on individuals working within the system. But, similarly, we are not closed to the opportunities provided by the same process of restructuring.

A recent project, 'Achieving cost-effective personnel services', has reviewed the cost and effectiveness of people management practices in the Australian Public Service. The project was initiated by the Management Advisory Board—a body which has union representation—not to attack conditions in the Public Service but to initiate reforms and look for innovative approaches to management from both inside and outside the public sector. The findings of the project confirmed that we cannot afford to be closed to the need for, and opportunities provided by, restructuring.

The main findings were that people management practices in the Public Service are inefficient and ineffective, a situation highlighted by Max Moore-Wilton, one of Australia's most experienced senior public servants, who describes Public Service rules and regulations as:

... a process driven culture suffocating under the weight of rules and regulations within an entitlement mentality.

Examples of Public Service inefficiencies and bureaucratic overservicing abound. There are more than 35 types of leave available in the Public Service, which generate some 1.5

million leave forms annually and cost some \$20 million annually to administer. An earlier speaker questioned whether the real criticism of this statistic was in administration or jobs. Quite clearly, the fat is in the administration.

Each time a public servant performs higher duties—that is, a job at a higher level than the one he or she normally performs—an allowance is paid. In 1993-94, there were some 716,000 such variations in pay, amounting to a staggering 17 million for the year to administer. It costs some \$28 million each year to administer the personnel selection processes in the Public Service. Yet, on average, six months after selection, only 55 per cent of officers chosen to fill a long-term vacancy remain in the job. If we are really concerned about job security, that is a statistic that should be of great concern.

Within this \$28 million selection process, the average time elapsing between notification of a vacancy, the appeal process and appointment of a successful candidate is over 120 days. What happens to the ability to serve the public interest in the interim? The public deserves better. In view of the importance of notions of best practice to the discussion paper, the Minister for Industrial Relations (Mr Reith) this week said:

I note that the cost of delivering human resource services in the sector was on average two-and-a-half times private sector best practice.

Our Public Service administration and management processes currently cost more than best practice dictates, yet still prove ineffective and inappropriate for a Public Service which must respond to the public's legitimate expectations of value for money for taxpayers' dollars and competition in the delivery of government services.

While the current system provides for micro level accountability in some aspects of people management, it also, unfortunately, inhibits workplace flexibility, emphasises process rather than strategy and deters innovative approaches and creative thinking. But change is possible—and possible within our current legislative and industrial frameworks.

For example, reform of internal practices and removal of overcompliance with the present Public Service Act could see savings

of some 44 per cent, or \$12.3 million, in the recruitment and selection processes. Similarly, by streamlining the rules under which the Public Service operates, considerable cost savings could be achieved. If we can reduce the 35 categories of leave and simplify the eligibility rules, we can reduce that pile of 1.5 million leave forms each year, and their administration cost of \$20 million, without necessarily reducing entitlements. The Prime Minister (Mr Howard) meant what he said when he said there would be no disadvantage.

Despite the outpourings of those on the other side of the chamber, the Public Service has nothing to fear from innovation or from reform of entrenched and rigid regulations, inflexibility and a culture which deadens incentive. Measures proposed to encourage efficiency and competitiveness should be welcomed rather than condemned.

Just yesterday on another topic, the government was exhorted to show some vision and some leadership. Well, here it is. A bold vision for better government and a process for reform of the Public Service that will deliver access to better government. It is in the interests of all Australians that the consultative process be a constructive and confident one that, in the end, will benefit all of us.

**Senator McGAURAN** (Victoria) (7.07 p.m.)—In the few minutes I have left in this debate, I join my government colleagues in addressing Senator Lundy's motion. It should not surprise the chamber that it is not unusual that Senator Lundy moved such a motion, given that she is defending her electorate of Canberra. But the way she exaggerated her points was surprising.

For example, Senator Lundy cast the net far and wide by saying that, on her reading of the discussion paper, the leave entitlements of public servants will be taken away by this government. Nothing could be further from the truth. In fact, I do not think Senator Lundy did read the discussion paper. If she did, she would have found that exactly the same conditions that exist in the private sector will be upheld in the public sector, namely, the no disadvantage test.

But Senator Lundy went on to further exaggerate her point by saying that the author

of the National Commission of Audit report, of which this discussion paper is very much a product, was connected to Fightback. Again, nothing could be further from the truth. One of the things she failed to acknowledge in her address was that the audit commission's report was very much in tandem with the previous government's 1994 McLeod report. They are very similar papers and I can prove that to Senator Lundy by simply referring her to the discussion paper, in the preparation of which this government relied not only on the audit commission report but also the McLeod report which was undertaken by the opposition when in government. If it will satisfy Senator Lundy, in the last minute I do have, I will read from the McLeod report. It says:

The Review Group recommends that the existing Act be replaced with a streamlined, principles-based Act which offers the Government, as employer, and employees and their unions, a more flexible employment framework in keeping with the operating environment of the 1990s and beyond.

Is that not exactly what this government is attempting to achieve?

So we have the evidence from the 1994 McLeod report and the audit commission report—and, indeed, evidence from the Leader of the Opposition, Mr Beazley, when as Minister for Finance he gave an address in July 1994 on public sector reforms. To quote one line of that extensive speech, he said:

The Australian Public Service itself requires continuous upgrading like the rest of the economy and must be highly competent if it is to be highly effective.

So they are the points to be made. This is not an ideological push at all. In fact, as he did with the industrial relations bill, Peter Reith will seek consultation with the parties. But it seems the Australian Labor Party have already written themselves out of consultation on the Public Service. This motion before the Senate is—

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

## COMMITTEES

### Membership

**The ACTING DEPUTY PRESIDENT (Senator Ferguson)**—The President has received a letter from the Leader of the Government in the Senate (Senator Hill) seeking to vary the membership of a standing committee.

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

That Senator Boswell replace Senator O'Chee on 28 November 1996, and Senator Coonan replace Senator O'Chee on 29 November 1996, on the Legal and Constitutional Legislation Committee.

### BOUNTY LEGISLATION AMENDMENT BILL 1996

#### Report of Economics Legislation Committee

**Senator COOK** (Western Australia) (7.13 p.m.)—by leave—The report of the Economics Legislation Committee on the Bounty Legislation Amendment Bill 1996 is important. When the report was tabled this morning, I sought leave to speak to it but leave was denied. I thank the government for acknowledging that it is appropriate to spend a few minutes of the chamber's time addressing this report. The remarks I propose are not necessarily appropriate for a second reading debate but for the actual report and the process engaged in by the Economics Legislation Committee in bringing down that report and some of its findings. I lament, however, that the nine minutes or so assigned to this means that I will not be able to say everything that I wish and I will have to seek other forums within this chamber to do so.

Considerable criticism is due to the government for the way in which it dealt with the committee's inquiry into these bounties. To expedite a hearing that had a very short time limit, I prepared a nine-page questionnaire which sought from the government information on which I would have examined them had their representatives had more time to appear before the committee to give evidence. Their time before the committee was limited to an hour and each member of the committee had questions for them. Obviously I could not

have examined them in the detail that I would have liked—and which these issues required—within that time scale, so I put questions on notice.

It is a matter of record—and I acknowledge and thank the chairman of the committee—that the government was pursued to answer those questions. Nonetheless, the government took three weeks to answer those questions and delivered the answers to me only last Friday evening, knowing that the report deadline for the printers was Tuesday evening. That meant we did not get a submission from the government to this inquiry at all. The government relied on the second reading speech, the bill, the explanatory memorandum and the oral evidence given. They delivered the answers virtually on the eve of the report deadline. Critically, many of the questions I asked required the government to respond and, to a large extent, their response would have shaped the outcome of my report and, in a proper consideration, the report of the wider committee.

The fact that they did not do this and the fact that their answers, when they delivered them, were unsatisfactory, defensive, narrowly focused and answers only from the department and not from the government is an affront, I think, to the committee and to the committee system of the Senate. It means that, unless the government wants to treat the committee system seriously and reply to fair questions—these were reasonable questions; these were not difficult questions—then the inquiry process is hobbled by the non-cooperation of the government on legislation that the government wants. That is quite extraordinary. I think the department and the minister should be castigated for that.

But enough of that. This is a very important issue because this government in its budget has announced the early termination of bounties which affect the books bounty, the ships bounty, the computer bounty and the machine tools and robotics bounty—industries that are all important to Australia, industries that are, in the main, exporters. The government has cut those bounties ahead of the normal expiry time that the current legislation requires.

By doing that, the government has disrupted the planning of those companies, thrown into question the issue of investment, thrown into question the strategic growth and planning of those companies, thrown into issue what the export targets that they can achieve will be and, critically and very importantly, thrown into question employment in those companies. Indeed, many of the companies that responded to my questionnaire on time—and 29 of them did—said that, because of this decision, jobs were in jeopardy in Australia, and that it was not just a few jobs but many jobs. They said that millions of dollars of investment was also in jeopardy and that many companies would be driven offshore.

The sad point—and in the time available to me, I can only conclude on this point to enable the arrangements that have been made in this chamber to be observed—

**Senator Campbell**—They haven't been observed already.

**Senator COOK**—If they haven't been observed already, Manager of Government Business, I apologise for that. I conclude on this point—and I will pursue the rest of my points in other forums of this chamber: the sad reality is that the savings the government has achieved by cutting outlays are, in my view and in the view of many independent observers, Pyrrhic savings, because the payment of these bounties generates investment in these companies and generates jobs.

The revenue side of the budget benefits because of the tax it receives and the outlays side of the budget benefits from not having to pay as much unemployment benefit. No fair, independent, properly based audit has been done of what the value of the bounties is on a cost-benefit basis. Industry believes that if you did that it would show that the bounties are cost neutral or cost positive to the budget. I believe they are cost positive. So, by cutting the outlays only and not looking at the all-round benefit, what the government has done is dud its own budget. I think that is reprehensible, given the jobs that are now on the line and the industries that will be now forced offshore. I will make further remarks on this later.

**Senator FERGUSON** (South Australia) (7.18 p.m.)—by leave—Senator Cook, can I firstly say that if this is a sign of your cooperation when we knew we had only nine minutes to debate this, then I think that you are the last one who should complain about the cooperation of a minister or a department when an offer was made to you that you would have the opportunity to debate this tomorrow or at some other time—an offer by the Manager of Government Business (Senator Campbell). I know that Senator Murray wanted to say a word or two but, between the two of us, you have left two minutes, so it makes it very difficult.

You talk about the government not cooperating in the time constraints that were put on this inquiry, but this inquiry received exactly the same amount of time as many pieces of legislation that your government introduced—many important pieces—and sent to legislation committees. I instance only one, and that was changes to the industrial relations bill in 1993, otherwise known as the Brereton bill, when major changes were made to industrial relations and your government allowed three days of inquiry. This government had 19—or 18—days of inquiry into the changes that we made to the industrial relations bill.

I can only say, because the time has nearly expired, that if the sort of cooperation that we have received tonight is an example of how we are to treat these matters, then I am afraid that we are in for some difficult times ahead. It does not give Senator Murray a chance to respond—Senator Murray, who at least was kind enough to give me his minority report prior to the tabling of the document so that we could at least study the document prior to speaking to it.

#### ADJOURNMENT

**The DEPUTY PRESIDENT**—Order! It being 7.20 p.m., I put the question:

That the Senate do now adjourn.

#### Personal Explanation

**Senator COOK** (Western Australia) (7.20 p.m.)—I want to make a personal explanation on the grounds that I have been misrepresented. I wish to make an explanation about the allegation that I have broken faith on the

last debate. I understood that the arrangements were for nine minutes. When I started speaking in the chamber, I did not notice the clock immediately. When I did look up, I thought the clock was set for me, not for the entire debate. I apologise to those senators whose time I may have inadvertently taken for that reason. It was my intention to observe the arrangements, not to break them. The setting of the clock, though, did not indicate my speaking time in the traditional way that it always does; it apparently indicated the time for the whole debate, and that is why I took further time than I intended. If that is inconvenient to Senator Murray, I apologise to him. It was not intended.

#### **Aboriginal Education**

**Senator EGGLESTON** (Western Australia) (7.21 p.m.)—In the adjournment debate tonight I would like to say a few words about Aboriginal education in Western Australia and the excellent policies which have been followed by Richard Court's government in Western Australia in this area.

I cannot overstate how important education is to the future of indigenous people in Australia. Not only does education substantially improve an individual's socio-economic conditions, it also greatly contributes to the building of self-esteem. Education is the key that unlocks the door to opportunity for each and every one of us.

When I first moved to the Pilbara in 1974, most of the Aboriginal Australians I saw at the Port Hedland hospital were illiterate and they signed documents by marking paperwork with an X. I am happy to say that time has brought with it progression. Today, young Aboriginal Australians in remote areas are able to read and write, and literacy has provided them with access to the contemporary world and all it has to offer.

Job skill education for young Aboriginal Australians has enabled our indigenous young people to take their place in modern Australia. I am extremely pleased to report to the Senate that Richard Court's government in Western Australia has made a strong commitment to improving educational standards for indigenous people in WA. In fact, only a few days

ago, the WA Minister for Education, Colin Barnett, said:

The coalition government recognises that educational achievement is a prerequisite for improved socio-economic conditions for Aboriginal children.

In reference to the Aboriginal education policy for Western Australia, Mr Barnett said:

The . . . strategies the coalition government will implement will be practical, achievable and developed in conjunction with Aboriginal people to focus on improvements in attendance rates and educational outcomes. There will also be a strong focus on integrating Aboriginal culture and customs into schools in cooperation with local communities.

The minister announced that the coalition Aboriginal education program would include the following goals: from 1997, to make available to all schools an Aboriginal studies program from kindergarten to year 10; to transfer responsibility for Aboriginal pre-school education to the education department when there is an agreement with the local Aboriginal community in place; to reallocate resources to significantly increase the number of Aboriginal education workers in government schools; to encourage more Aboriginal people to become teachers by introducing a new career structure; through negotiation with WA's universities, to require all education department teachers to undertake an Aboriginal studies unit in pre-service teacher education courses; to increase the number of Aboriginal students completing and passing the tertiary entrance examinations and entering higher education courses by progressively expanding the Aboriginal and Islander tertiary aspirations program; and, finally, to promote school-business partnerships such as that established between the government and Hamersley Iron in Karratha where Aboriginal children receive concentrated literacy and numeracy education in school and are provided with employment with Hamersley Iron on completing school.

The strong commitment Richard Court has shown to promoting job skill education for Aboriginal Australians was demonstrated very early in the term of his government when he elevated Pundulmurra College in South Hedland to the status of an independent post-secondary education college under its own

board. There are only four such independent post-secondary education colleges in Western Australia. These colleges are outside the TAFE system and are able to tailor their courses to the needs of their students, which, in the case of Pundulmurra, includes students from all over the north of Western Australia.

Pundulmurra was set up in 1974 with the objective of providing bridging and skills education for young Aboriginal Australians from communities in the Pilbara and Kimberley. It has been a remarkable success story. In the earlier days of the college, young Aboriginal men and women who came to Pundulmurra were taught skills such as basic brick-laying, plumbing and mechanics. The women undertook courses in bookkeeping and secretarial skills, and these skills enabled them to run the financial side of community stores and to act as secretaries for community leaders. Importantly, Pundulmurra has also taught Aboriginal students from remote communities social skills such as how to operate bank accounts, use the post office and access government departments—social skills which those of us who live in towns take for granted but which Aboriginal Australians from remote communities had never before experienced.

In more recent years, Pundulmurra has expanded the range and level of sophistication of its courses so that young men could undertake pre-apprenticeship training before going on to full apprenticeships with some of the big companies in the north such as BHP. Under the Court government, the state government has funded the college at a level of around \$2.5 million per year with the addition of special grants for capital works, which in this financial year will amount to some \$3.5 million.

The college council membership is largely Aboriginal and is chaired by Mr Greg Kneal. During the independent council's first three years, Mr Kneal has done a brilliant job in focusing the college's courses on developing positive outcomes for Aboriginal Australians in the north.

No-one denies that Aboriginal education still has a long way to go and that standards can and must continue to improve. For example, only 20 per cent of Aboriginal students

in WA continue to year 12 compared with 70 per cent for non-Aboriginal students. Around 20 per cent of six- to 14-year-old Aboriginal children in WA are not attending any kind of educational institution at all.

Having said that, the message I want to leave with the Senate tonight is that the WA Liberal government, under Richard Court, has given a high priority to improving Aboriginal education from the time of its election. As the policy initiatives recently announced by the state education minister show, improving Aboriginal education standards will be the key program underpinning the Court government's determination to improve the socio-economic status of Aborigines in WA in future years.

As the WA Minister for Education, Colin Barnett, said a few days ago in announcing coalition education policy for Aboriginals in WA, 'The coalition is committed to working closely with Aboriginal communities, listening to their individual needs and situations and together improving the educational achievements of Aboriginal children.'

#### Search and Rescue Equipment

**Senator BOB COLLINS** (Northern Territory) (7.29 p.m.)—Honourable senators would be aware that during Senate estimates and in this session of parliament I have raised serious concerns involving the vital search and rescue equipment recently purchased by Airservices Australia, the precision aerial delivery system, PADS, at a cost of almost \$700,000. I raised with the Minister for Transport and Regional Development (Mr Sharp) advice that had been given to me about a serious incident which occurred during the first training session with this newly purchased equipment. In response to that, a story published in today's *Age* quoted a spokesperson for the minister. The article stated:

In relation to Senator Collins' questions, he has got the story wrong and he will discover how wrong he has the story when the answers are provided to the Senate . . .

The answers were provided to the Senate today. They confirmed absolutely the accuracy of the concerns that I raised in the Senate. What I found disturbing about the written

answers provided by the minister in the parliament today is that in one very important regard they flatly contradict the incident report from the dropmaster of the aircraft which I will quote from tonight.

This equipment—and this is absolutely crucial to an understanding of why this matter should be pursued—was demonstrated to me when I was the transport minister. We took a decision at that time, some years ago, to purchase a very small number of units which were to be put around Australia on a trial basis. There was no decision ever taken to replace the existing equipment with these units because of the concerns about deficiencies noted with the units. No further units were purchased while we were in government.

Last year, the Royal Australian Air Force's technology section—real experts in this area—thoroughly tested the equipment and published a report which was tabled in the Senate. The bottom line of that RAAF report was that the altitude of 100 feet required for the delivery of this equipment was unsafe. You do not need to be an expert to work that out. It was found to be unsafe in millpond conditions. All the tests were conducted in perfect visibility, perfect weather and perfect sea conditions. They tried to find rough conditions but could not.

The RAAF report rightly pointed out that, in the real conditions in which this equipment is delivered, the weather conditions are horrific—high seas, squalls, turbulence and all the rest of it. You do not need to be an expert to know that. Those of us who have flown in light aircraft know that it is too low to position an aircraft 100 feet above the water in dangerous conditions. The RAAF also found the equipment to be too dangerous to even continue the trials. As a result, the trials were suspended.

To indicate the seriousness of this matter, I point out that the RAAF found that the equipment when released from the aircraft actually impacts with the control surfaces of the aircraft, placing the aircraft in danger and the crew in danger of losing their lives. Senators should not forget that this is 100 feet above the waves. They gave the equipment a zero safety rating last year.

To my astonishment, the government then took a decision to purchase \$700,000 worth of this equipment and put it in place all over Australia. They also determined that training sessions for the crews would begin in November. The answers I received today stated, among other things:

As a consequence of unexplained equipment failures during the PADS training drops Airservices have suspended PADS training . . .

In other words, the assertion that I made that this system has been suspended from service is correct. The problem with this answer is in the previous paragraph where it states that the procedural problem that almost caused the loss of the aircraft and its crew occurred during 'an approach to Nowra airport'. The answer stated:

. . . the pilot inadvertently selected the auto pilot during an approach to Nowra airport

The impression you are left with after you have read this answer is that the aircraft had finished its training, they were coming in to land at Nowra and during the approach there was a problem and they then landed. The incident report paints a very different picture indeed. I will read the relevant sections. The executive summary in the incident report from the dropmaster to the Bureau of Air Safety Investigation stated:

During SAR training with Airservices Australia and Navair at Jervis Bay, VH-LCE of which I was the dropmaster of a crew of 4, appeared to have uncommanded control inputs over which the pilots had to fight to gain control. An emergency landing was effected Jervis Bay, however I was unable to get to a seated position with the seat belt attached for the landing.

It was not simply an approach to the airport. It was an emergency landing. The incident report goes on to state:

After successfully completing the despatch of the first of three loads, Jim and I were preparing the next load for delivery, when Jim noticed Rod Andrews gesturing from his seat for us to take our seats quickly. I had my back to the pilots at this time and did not see this, Jim and myself were in contact with the pilots through radios strapped to our bodies using 123.1 Mhz as a defacto intercom and I did not hear any call of an emergency. The aircraft at this stage was at approximately 200 ft high and was on the base leg of the PADS pattern.

I seek leave to table an illustration of the base leg of this PADS drop.

Leave granted.

**Senator BOB COLLINS**—This indicates that this incident did not occur during an approach to landing. It occurred, as I said, during the training with the equipment itself. It resulted in an emergency landing then being performed. The incident report states further:

. . . I did not hear any call of an emergency. The aircraft at this stage was at approximate 200 ft high and was on the base leg of the PADS pattern. Jim and I hurriedly to our seats, I released Jim from his safety line and he fastened his seat belt, I was only able to get into the seat by the time landed, I was not able to release my safety line or have time to connect my seat belt. On moving forward to our seats we could see that the pilot had been able to position the aircraft for a cross wind landing and I judged from our position that we were going to make the runway for a landing as I was being seated.

That indicates only too graphically the extent of this emergency. Because it was on the coast the pilot fortunately managed to get the aircraft back for a safe landing, but the dropmaster was not able to be seated. What that means for those of us who know is that, had the aircraft unfortunately impacted with the sea, the dropmaster, not being restrained by a seat belt, would almost certainly have been killed on impact even if everyone else survived. This was a very serious situation. I do not need to table the incident report or the minister's answer because they have already been tabled. I point out that there is a serious conflict between the written answer provided by the minister and the incident report that was sent to BASI outlining the cause and circumstances under which this incident occurred.

This raises a great many questions that have yet to be answered by the minister and which we will be pursuing. We do not know at this stage the nature of the unexplained difficulties with the equipment that caused the suspension of the use of this equipment. As I stand in here tonight, this equipment, purchased at a cost of almost \$700,000 to provide vital rescue services to people who are lost at sea or whose yachts or boats have gone down,

has been suspended from service. The training has been suspended.

I want to put the RAAF report on the table tonight. It is available to anyone who wants to read it. The RAAF found that this equipment was so dangerous it should not even be trialled, let alone used, and the trials were suspended. The RAAF found that there were numerous difficulties associated with this. I was told by officers of Airservices Australia during Senate estimates—and it is in the *Hansard*—that the company had provided assurances that all these deficiencies had been rectified. They clearly have not been rectified.

What this Senate needs to find out—and I will be pursuing it—is whether the failures of the equipment that have been identified in the answers that caused the suspension of the training and the suspension of the use of this equipment are similar failures to those that the RAAF identified only last year and clearly have not yet been corrected.

#### Walla Weir

**Senator WOODLEY** (Queensland) (7.39 p.m.)—I rise to make reference to a media release of today's date put out by Paul Neville, the member for Hinkler. It is headed 'Final approval received for Walla Weir'. The first couple of paragraphs state:

Federal Primary Industries Minister John Anderson has advised Member for Hinkler, Paul Neville, that final approval has been granted for the Walla Weir and that work is expected to start on the project in mid-December.

Mr Neville said that the State Government had accepted the environmental guidelines set down by the Federal Government and all was now in place to fulfil a commitment to this region . . .

He further says in his press release:

Throughout the investigation of this project I have respected the responsibility of the Environment Minister, Robert Hill, and John Anderson to be thorough in ensuring its environmental soundness . . .

I wish I had the same confidence as Mr Neville in the environmental soundness of this project. I certainly do not argue about the contribution that this project makes to the sugar industry in that area but, as is usual with this government, we have this competition, which I think is unnecessary, between

development projects and the environment. Unfortunately, the environment misses out every time. I think the Senate deserves an explanation as to why I say that.

The media release by Senator Robert Hill of 18 October gives the same sort of reassurances and talks about strict conditions set for the Walla Weir proposal, et cetera. What Senator Hill does not say, although it is hinted at a little further down the page, is that code is being used. I have come to realise that whenever the environment minister talks about setting strict environment guidelines after something has been approved that quite clearly should not have been approved he is really using code for 'I was forced into approving this project but I promise to shut the gate after the horse has bolted'.

He lists the various conditions which he is going to ensure will be put in place. There will be long-term studies of both the lungfish and the elseya tortoise. There will be development of a long-term management plan to ensure the survival of the lungfish, et cetera. What he should have done was ensure that there were proper studies done before he approved the weir. There is no doubt when one reads the scientific studies that this weir is a further nail in the coffin for the lungfish and for the particular tortoise we are talking about, and I am sorry about that.

Although Senator Hill's words sound very reassuring, let me tell you why his reassurances may be no more than rhetoric. The environment minister's press release states:

The Walla Weir proposal was subject to environmental impact assessment (EIA) by the Queensland Department of Environment and the Federal Environment Protection Agency (EPA). On the basis of the EIA, the Queensland Government concluded that the proposal could proceed . . .

I can tell you that one would not have expected anything else from the Queensland government. It has no environmental credentials whatsoever. It always says that development can proceed no matter what. However, Commonwealth advisers—that is, the Environment Protection Agency—reached different conclusions on the same evidence. In fact, they said, on very good scientific evidence, that to proceed with the weir in its present

form would cause environmental damage to the two species I have mentioned.

However, faced with these differences, the difference between what the Queensland government said, and always say, and the advice that the minister received from the proper authority—that is, his own federal Environment Protection Agency—he decided to go and get some more advice. Unfortunately, this is what this minister does. When he has a hard decision to make and he gets the wrong answer he goes looking for some advice that will give him the right answer. The press release states:

Faced with these differences, Senator Hill sought a further scientific review. This was carried out by Dr Keith Boardman, former Chief Executive of the CSIRO.

One would think that he certainly is a scientist of note—and he is—but, as I understand it, he has no experience in the area for which Senator Hill sought advice from him. In his advice, Dr Boardman made comments such as:

. . . the potential cumulative impacts of present and future weirs and dams could progressively destroy the breeding habitat of the lungfish.

So even Dr Boardman admitted that the cumulative effects would impact seriously on the lungfish. However, Dr Boardman said that that would not probably happen in the present case with the particular weir. So he did give the environment minister the advice he wanted. Although, Senator Hill's own press release reads:

Senator Hill says he is concerned about the cumulative impacts of existing and any future dams and weirs on the Burnett river.

"As part of my agreement to funding, I have insisted on further studies to help develop management strategies for the long term protection of the lungfish and other important species.

By the time the minister gets a management plan in place, he will be lucky if those species still exist. It goes on:

"I will consider further cooperation with the Queensland Government to achieve this goal."

I wish you luck, Senator Hill. Unfortunately, I believe that Senator Hill has been rolled again in the cabinet. Let me say that, in terms

of my relationship with Senator Hill, he has always been a very decent person to me, courteous and even helpful. But in debates to protect the environment he usually loses to his cabinet colleagues, and I am sad about that.

There are a lot of questions that remain unanswered, and I would like to put some of them on the record. They are questions such as: why did Senator Hill not accept the advice of his own advisers, the people that he pays to advise him; why did he choose to appoint Dr Keith Boardman, former Chief Executive of CSIRO, to carry out a further scientific review of the lungfish, if it was not simply to get the answer he wanted; and why did Senator Hill not insist on investigation of cumulative impacts of the existing 16 weirs, five dams and a barrage prior to making his decision, given that Dr Boardman said that there were potential cumulative impacts of present and future weirs and dams.

Other questions: why did Senator Hill ignore the reports of Dr Anne Kemp, the most experienced Australian lungfish researcher, who has studied the spawning of lungfish for over three decades; and why did Senator Hill ignore all the concerns of over 130 overseas and four Australian research scientists who pleaded for the habitat of the lungfish to be protected because its known habitat has already become restricted by the many weirs and dams which already exist? These questions remain to be answered. It makes me very sad that, once again, we have made an unnecessary choice between development and the environment. I hope the Senate takes note of these questions and that we may receive answers in the future from the minister.

#### **Advertising Standards Council**

**Senator ABETZ** (Tasmania) (7.49 p.m.)—Having heard the comments that have just been made, I dare say the honourable member for Hinkler, Mr Neville, ought be congratulated for getting a development in his electorate. I rise to speak in tonight's adjournment debate on a matter which has received publicity over the last week or so in relation to the demise of the advertising industry watchdog, the Advertising Standards Council. I

preface my remarks by saying that, in general, I support self-regulation. Some of the work coming out of the advertising companies in Australia is competitive, humorous and innovative.

That said, whilst the community demands and expects high standards in relation to advertising—viewed on the television, at the cinema or in the magazines and newspapers—advertisers need to act responsibly to ensure they do not go over and beyond community expectations. The Advertising Standards Council's own existing self-regulatory code expires on 31 December, and since Thursday, 31 October the council has stopped receiving complaints. Since that date, 31 October, there has been no procedure in place to deal with consumer complaints about tasteless or offensive advertising. It has left the advertising industry without a security alarm—let alone a watchdog—for an unknown period of time.

The advertising representative on *A Current Affair* recently highlighted the need for such a body. His response about some tasteless advertising was to boast that the audience targeted was buying the goods. He seems to forget that advertising is all pervasive. People get to see it whether they want to or not. They are confronted by it whether they are the target audience or not. Hence the need for standards.

The response of the advertising representative highlights the need for the enforcement of standards. Thirty years of self-regulatory codes, covering everything from social decency to product portrayal, has virtually come to an end. This means advertisers have an open field day to take the advertising medium one step further into either the shock-horror or the plain crass categories.

By way of example, I would mention the two 15-second cinema commercials created by Neo One for Dakota Smith sunglasses which were released last week. I am pleased to say they were played on *A Current Affair* the other night; therefore, I do not have to go through the details and the crass nature of the advertisements. But when questioned about these risqué advertisements, the creative director of Neo One, Adrian Pritchard, was

reported in the *Sydney Morning Herald* as having said:

The ads are no more risque than the stuff that's in the movies. Advertising does have a social responsibility and it also has a responsibility to meet clients' demands.

It is quite obvious that the advertising industry is largely driven by those that spend money with them, their clients. But as advertising pervades all aspects of the community, it is vital that there are standards set so that those who do not necessarily wish to partake of the advertisement are not affronted. If this is the type of self-regulation that Mr Pritchard and others are moving towards, I fail to see either the social responsibility or, indeed, client demands for this type of advertising.

There are a range of other advertisements which are going that one step further into controversial and scandal driven advertising. Saucony also had an advertisement which was shown on *A Current Affair*. Once again I do not want to go into further detail and give them unnecessary publicity.

But it is not just the sexually suggestive or morally questionable ads which I am criticising this evening. Indeed, we as a community often seek to concentrate on the sexually scandalous or titillating advertisements. I want to say tonight that that is not the only concern. I want to give a few examples of the complaints received this year by the Advertising Standards Council.

The Just Jeans clothing chain showed an advertisement in which a woman driving on the wrong side of a cliff-edge road forced an oncoming male scooter rider over the edge. Fate is averted when the rider's jeans get caught on a cliff branch. Not only did the ad make light of driving offences, but it breached a number of clauses of the advertising code of ethics, including that 'advertisers shall not encourage dangerous behaviour and shall not encourage illegal or unsafe road usage practices.'

Colgate Palmolive's promotion of UV sunscreen through a series of commercials showed black people enjoying the sun and

joking about white people needing to use sunscreen. While the ad was of a humorous style, it was hardly responsible advertising of a therapeutic good—sunscreen—and the complaints received cited that the ad was racist.

A 15-second commercial for the pizza chain, Eagle Boys, showed an elderly man using a walking frame, trying to reach an Eagle Boys shop before the latest deal ends. His disabilities prevented him from doing so, thereby offending people with disabilities.

Some advertisers behind some of these new campaigns appear to be paying scant regard to their social responsibilities and simply putting the dollar first. It appears that even if the attention given to an ad is negative, it will somehow be good publicity. Unfortunately, it is this attitude which has the potential to bring the whole advertising industry into disrepute.

I want to make it clear that I do not necessarily support the processes involved with the Advertising Standards Council, either. There are many issues which need to be examined. For example, should simply one complaint be all that is needed to kill an advertising campaign? Should an advertisement be pulled off when there is no right of reply or recourse for an advertiser? What sort of advertising standards do Australians want? Are there implications for freedom of speech?

However, as a supporter of self-regulation, I suggest to advertisers that if the industry does not get its act together in relation to an alternative structure for the Advertising Standards Council, then advertisers run the risk that there will be further regulation and possibly government intervention because of community concerns. I do not believe that this would be in the best interests of either the advertising industry or consumer choice.

**Senate adjourned at 7.56 p.m.**

## **DOCUMENTS**

### **Tabling**

The following documents were tabled by the Clerk:

Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—Exemptions—CASA 22/1996 and CASA 24/1996.

Life Insurance Act—

Actuarial Standard 2.01—Solvency standard, dated November 1996.

Actuarial Standard 3.01—Capital adequacy standard, dated November 1996.

Insurance and Superannuation Commissioner's Rules made under section 252—Variation of

Commissioner's Rules No. 22—Non-participating benefits.

Native Title Act—

Approval under paragraph 26(2)(e)—Native Title (Right to Negotiate (Inclusion)—NSW Land) Approval No. 1 of 1996.

Determination under paragraph 26(3)(b)—Native Title (Right to Negotiate (Exclusion)—NSW Land) Determination No. 1 of 1996.

## QUESTIONS ON NOTICE

The following answers to questions were circulated:

### Ministerial Staff

(Question No. 244)

**Senator Robert Ray** asked the Minister representing the Minister for Health and Family Services, upon notice, on 9 October 1996:

(1) What staff, other than staff employed under the Members of Parliament (Staff) Act 1984, were employed in or attached to the office(s) of the Minister and each of his or her Parliamentary Secretaries as at Tuesday, 8th October 1996.

(2) What were the total salary costs of such staff.

(3) What was the financial cost to the Commonwealth of the employment of such staff.

(4) What were the titles, roles and duties of such staff and what public service (or equivalent) classifications did they carry.

(5) Under what programs were they employed.

**Senator Newman**—The Minister for Health and Family Services has provided the following answer to the honourable senator's question:

(1) A total of 5 staff:

3 staff in the office of the Minister for Health and Family Services; and

2 staff in the office of the Parliamentary Secretary to the Minister for Health and Family Services.

(2) and (3) The total salary costs for these staff were \$93,087.43. The estimated financial cost to the Commonwealth of the employment of these staff was \$97,249.28 (including salaries) to 8 October 1996.

To obtain information on other overheads associated with the employment of these staff, such as superannuation and property operating expenses, would involve considerable research, and I am not prepared to authorise the time and resources entailed in collecting the information.

(4) Principal Liaison Officer to the Minister for Health and Family Services, SES Band 1. Responsibilities: high level liaison between the Minister and the Department, particularly relating to COAG, Commonwealth-State Financing (including hospital funding grants); Budget and Expenditure Review Committee overview and co-ordination; and general

support to the Minister pending finalisation of establishment of Minister's office. The Officer transferred on 10 October 1996 to the Principal Adviser position in the office of the Minister for Health and Family Services and is now employed under the Member of Parliament (Staff) Act 1984.

Senior Departmental Liaison Officer to the Minister for Health and Family Services, Senior Officer Grade B. Responsibilities: general liaison with the Department, particularly relating to Budget and Expenditure Review Committee, Cabinet, minutes and Question Time.

Junior Departmental Liaison Officer to the Minister for Health and Family Services, Administrative Service Officer Grade 6. Responsibilities: support liaison arrangements with the Department, particularly relating to briefings, and Ministerial correspondence.

Senior Portfolio Adviser to the Parliamentary Secretary to the Minister for Health and Family Services, Senior Officer Grade A. Responsibilities: provide advice on portfolio matters, to assist with liaison with the Department of Health and Family Services and facilitating Health and Family Services portfolio legislation through the Senate.

Departmental Liaison Officer to the Parliamentary Secretary to the Minister for Health and Family Services, Administrative Services Officer Grade 6. Responsibilities: general liaison with the Department particularly relating to briefings, Ministerial correspondence and minutes.

(5) Employed under the Australian Public Service Act.

### Minister for Employment, Education, Training and Youth Affairs: Staff

(Question No. 246)

**Senator Robert Ray** asked the Attorney-General, upon notice, on 8 October 1996:

(1) What staff, other than staff employed under the Members of Parliament (Staff) Act 1984, were employed in or attached to the office(s) of the Minister and each of his or her Parliamentary Secretaries as at Tuesday, 8 October 1996.

(2) What were the total salary costs of such staff.

(3) What was the financial cost to the Commonwealth of the employment of such staff.

(4) What were the titles, roles and duties of such staff and what public service (or equivalent) classifications did they carry.

(5) Under what program were they employed.

**Senator Vanstone**—The Attorney-General has provided the following answer to the honourable senator's question:

(1) Two Departmental Liaison Officers (DLOs) and a Law Enforcement Liaison Officer on secondment from the Australian Federal Police\*.

(2) The annual salary of the DLOs as at 8 October 1996 was \$68,952; that of the Law Enforcement Liaison Officer was \$62,522.

(3) The salaries of the three officers, including ministerial allowances and superannuation, plus expenditure on travel, totalled \$192,714 to 8 October 1996.

This figure makes up the bulk of the financial cost to the Commonwealth of the employment of the staff. To obtain information on other overheads associated with the employment of these staff, such as property operating expenses, would involve considerable research, and I am not prepared to authorise the time and resources entailed in collecting the information.

(4) The DLOs undertake liaison and provide support and advice on specific areas of my portfolio responsibilities. They hold the Public Service classification of Legal 2 officers.

The Law Enforcement Liaison Officer provides similar support and liaison between my Office and the Australian Federal Police on law enforcement and related issues. The equivalent Public Service classification is in the range of Senior Officer Grade B to Senior Officer Grade A.

(5) The DLOs are employed under Program 1: Legal Services to the Commonwealth; the Law Enforcement Liaison Officer is employed under Program 6: Maintenance of Law, Order and Security.

\* Pending permanent filling, the position of senior adviser and a position of media adviser are currently being filled by staff from my Department. They are being paid the usual salaries and allowances that apply to these positions under Members of Parliament (Staff) Act 1984.

### Australia Council

#### (Question No. 265)

**Senator Murray** asked the Minister for Communications and the Arts, upon notice, on 11 October 1996:

(1) Has the Australia Council been instructed as to how it is to spend its budget on the matter of subsidies or grants to selected media outlets.

(2) To what extent does the Government influence or determine the Australia Council's funding decisions or priorities.

(3) Has the Australia Council been provided with, or itself developed, a set of guidelines requiring it to be non-partisan and objective in the allocation of its subsidies and grants.

(4) Why is the Australia Council subsidising writers contributing to the new *Review of Books* published by the *Australian*.

(5) Is it the Australia Council's intention to subsidise or fund other media outlets with this program; if so, on what basis and which media outlets.

(6)(a) How great is the subsidy being afforded to these writers; (b) how does it compare to standard rates of pay; and (c) for what period is the subsidy.

(7) Are writers from other magazines, newspapers or periodicals which publish book reviews able to apply for or claim such subsidies.

(8) If it is the case that only writers contributing to the *Review of Books* are eligible, then is this conferring a selective advantage to News Ltd over its (sometimes smaller and less affluent) competitors; if so, how could this be justified.

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

(1) No.

(2) and (3) There are two fundamental tenets of the Australia Council's structure and decision-making process:

that grant applications must be assessed by peers, defined by the Council as people who, by virtue of their knowledge and experience, are equipped to make fair and informed assessment of artistic work and grant applications; and

that Council actions are at arm's length from government.

While the Australia Council Act 1975 enables the Minister to give directions to the Council regarding the performance of its functions or the exercise of its powers, these directions must not be in regard to particular grants, scholarships or other benefits.

The guidelines developed by Council for the allocation of grants are detailed in the Council's Grants Handbook 1996.

(4) The Australia Council's primary objective, in relation to this project, is to promote excellent Australian writing both to a national and a potential international readership.

The project is the first mass circulation literary publication of ideas funded by the Council and the first attempted by a major Australian publisher. The

*Australian's Review of Books* is viewed by Council as an innovative and

cost-effective attempt to provide quality articles, essays and reviews by Australia's best writers. The Review has the capacity to reach at least 122,000 households, representing an audience in excess of 450,000 which is more than 30 to 40 times the average circulation of literary magazines funded by the Council's Literature Fund.

The Review will also benefit those art forms such as the performing and the visual arts where there is a dearth of in-depth writing on these topics for a general audience.

(5) The Australia Council's funding for the Review is provided as a strategic initiative through the Council's new Audience Development and Advocacy Division. The Division's role is to develop and support initiatives that have the potential to achieve nationally or internationally significant audience or market development outcomes.

Future strategies that the Council may adopt in relation to audience development are still being developed.

(6)(a) The Australia Council is providing \$176,000 in 1996/97, directly towards paying for the contributions by Australian writers. The payment to writers for the publication of material in the Review is \$1.00 per word. No Australia Council funds go towards any costs associated with the production, marketing or distribution of the Review.

(b) Standard rates of pay for writers vary between 15 cents to \$1.00 per word. As the Review is a quality publication requiring contributions of excellence, writers are remunerated at the highest rate. The Australia Council's position is that professional artists and creators, whenever possible, should be remunerated appropriately.

(c) Up to two years. A review of the publication's first year will be conducted during the first half of 1997; this will inform Council's consideration regarding the provision of further funding.

(7)&(8) As in the case of the Review, writers for all other literary magazines are not funded directly by the Council, but are funded indirectly via the organisation that has applied to Council. Literary magazines may apply for Council assistance under one of two programs (Program and Commission) for three types of funding:

magazines with a minimum of 1,000 sales per issue may apply for core funding

magazines with a minimum of 500 sales per issue may apply for grants to pay literary contributors

foundation grants for new magazines.

In 1995/96, funding of \$312,000 was provided by the Council to 18 literary magazines. Funding to five of these magazines was allocated solely for contributors' fees. In 1996/97, the Literature Fund will spend over \$300,000 on literary magazines, not including the funding provided to the Review.

## Woodchip Licences

### (Question No. 295)

**Senator Brown** asked the Minister representing the Minister for Primary Industries and Energy:

(1) With reference to the hardwood woodchip export licences issued between 15 and 31 October 1996: (a) to which companies have licences been issued; (b) what volume was issued to each company; (c) what is the duration of the licence (for each licence); and (d) what is the port of export for each licence; (e) from what region will the wood be sourced; (f) is the wood from native forest or plantations, and in what form (logs, chips, other); and (g) which type of licence has been issued in each case.

(2) For each transitional licence issued between 15 to 31 October 1996: (a) what proportion of the licensed volume consists of 'residue wood' (from silvicultural thinnings or sawmill residues) in each case; (b) from which areas and/or sawmills are the thinnings or residues to be obtained; (c) was the applicant requested to provide information under Regulation 7 of the Export Control (Hardwood Wood Chips) (1996) Regulations; if so, can a copy be provided of the information furnished by the applicant; (d) which of the matters listed in Regulation 8 of the Export Control (Hardwood Wood Chips) (1996) Regulations did the Minister consider; (e) can a copy be provided of the Minister's determination in relation to each of the matters considered under Regulation 8; and (f) can a copy be provided of the conditions, if any, which apply to each licence issued.

(3) Have any applications for woodchip export licences (whether from hardwoods or softwoods) been rejected since June 1996; if so, (a) which companies were refused licences; and (b) what were the reasons for refusing the licence application in each case.

(4) Have any licences for export of unprocessed wood from softwood plantations been issued between 15 to 31 October 1996; if so: (a) which companies were the licences issued to, and what was the volume, duration of licence and port of export in each case; (b) was the wood put up for public tender for local processing before the licence

was issued; and (c) were there any objections received from local processors before issuing the licence in each case.

(5) With reference to each licence issued for the export of whole logs from plantations since 15 October 1996: (a) which of the matters listed in subregulation 7(2) of the Export Control (Unprocessed Wood) Regulations were considered; (b) can a copy be provided of the Minister's determination in relation to each of the matters considered under subregulation 7(2); and (c) what proportion of the volume to be exported consisted of sawlogs and

what proportion consists of chiplogs, and what is the operational definition of each.

**Senator Parer**—The Minister for Primary Industries and Energy has provided the following answer to the honourable senator's question:

All of the matters raised by Senator Brown in this Question on Notice have been answered in the Minister for Primary Industry and Energy's responses to Senator Brown's earlier Question on Notice No. 277.