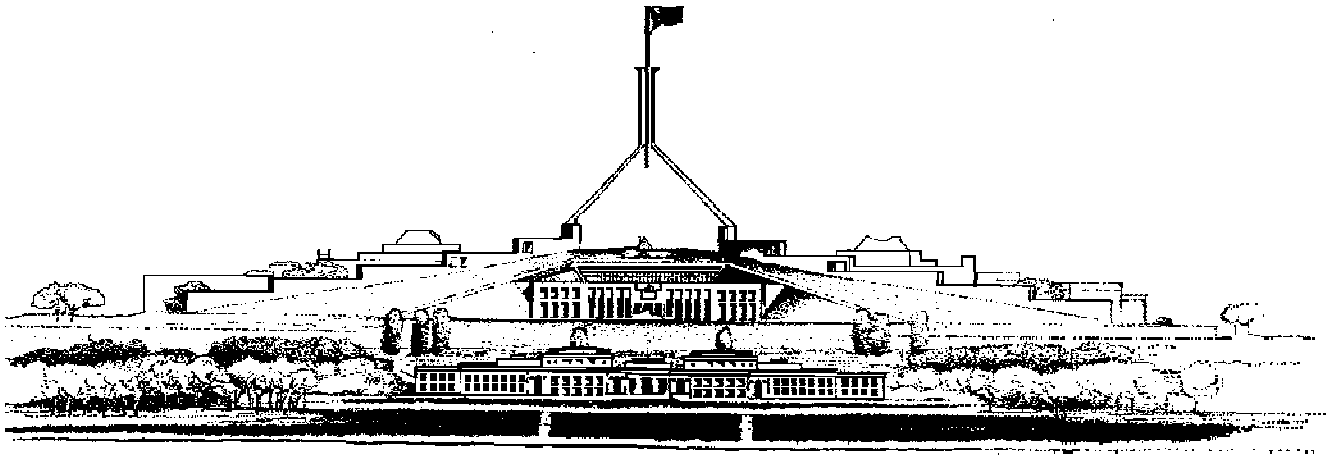
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



SENATE

Official Hansard

MONDAY, 16 JUNE 1997

THIRTY-EIGHTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

BY AUTHORITY OF THE SENATE
CANBERRA

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Monday, 16 June 1997

The Senate met at 12.30 p.m.

PRESIDENT: ABSENCE

The Clerk—Pursuant to standing order 13, I advise the Senate that the President is unavoidably absent and the Deputy President will take the chair.

The DEPUTY PRESIDENT (Senator West) thereupon took the chair, and read prayers.

CUSTOMS AND EXCISE LEGISLATION AMENDMENT BILL (No. 2) 1996 (No. 2)

In Committee

Consideration resumed from 29 May.

The TEMPORARY CHAIRMAN (Senator Knowles)—The committee is considering the Customs and Excise Legislation Amendment Bill (No. 2) 1996 (No. 2) as a whole and opposition amendment No. 4 on revised sheet 462, moved by Senator Cook. The question is that the amendment be agreed to.

Question put:

That the amendment (**Senator Cook's**) be agreed to.

The committee divided. [12.36 p.m.]

(The Temporary Chairman—Senator S.C. Knowles)

Ayes	33
Noes	33
Majority	0

AYES

Allison, L.	Bolkus, N.
Bourne, V.	Brown, B.
Carr, K.	Collins, R. L.
Colston, M. A.	Conroy, S. *
Cook, P. F. S.	Cooney, B.
Crowley, R. A.	Denman, K. J.
Evans, C. V.	Faulkner, J. P.
Foreman, D. J.	Forshaw, M. G.
Harradine, B.	Hogg, J.
Kernot, C.	Lees, M. H.
Mackay, S.	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.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Chapman, H. G. P.	Coonan, H.
Crane, W.	Eggleston, A.
Ellison, C.	Ferguson, A. B.
Gibson, B. F.	Heffernan, W. *
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Macdonald, I.	Macdonald, S.
MacGibbon, D. J.	Margetts, D.
McGauran, J. J. J.	Newman, J. M.
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Synon, K. M.
Tambling, G. E. J.	Tierney, J.
Troeth, J.	Vanstone, A. E.
Watson, J. O. W.	

PAIRS

Bishop, M.	Reid, M. E.
Childs, B. K.	Ferris, J
Collins, J. M. A.	Lightfoot, P. R.
Gibbs, B.	Minchin, N. H.
Lundy, K.	O'Chee, W. G.

*** denotes teller**

Question so resolved in the negative.

Senator COOK (Western Australia) (12.40 p.m.)—by leave—I move:

(5) Schedule 1, item 13, page 8 (line 19), omit "being", substitute "including".

(6) Schedule 1, item 13, page 8 (line 22), after "the", insert "dressing or".

(7) Schedule 1, item 14, page 8 (line 29), after "are", insert "dressed or".

Senator COOK—These are amendments to subsection 164(7)(c) of the definition of 'mining operations'. They are amendments that are made necessary because of changes that this bill proposes to the existing act. The changes that we make go to a number of detailed explanations of the definitions. I will advert to a couple of them and explain why we think it is necessary to make them. We propose to take out of the bill the word 'being' and insert in the bill the word 'including'. We do that because the definition is limited immediately by the insertion of the word 'being', and that limits the definition within the mining section to only those

matters that are mentioned in the act. By inserting the words 'including' in the place of 'being', it includes all those matters mentioned as well as other matters which are obviously encompassed by that definition.

In short, what we are doing here is removing the narrowing provision that the amending legislation proposes and inserting in its place a provision which would expand the definition. There are a number of other amendments of that sort which make the definition more appropriate to the practical applications of the mining industry.

Senator PARER (Queensland—Minister for Resources and Energy) (12.43 p.m.)—The government will not support this amendment. Our reason for not supporting it is that it broadens the definition to such an extent that it could lead to significant increases in outlays.

Amendments negatived.

Senator COOK (Western Australia) (12.44 p.m.)—I seek leave to withdraw amendment No. 8, which is item No. 14 on the running sheet.

Leave granted.

Amendment withdrawn.

Senator PARER (Queensland—Minister for Resources and Energy) (12.45 p.m.)—I move:

(3) Schedule 1, item 14, page 9 (lines 1 to 8), omit subparagraph (c)(ii), substitute:

(ii) the return journey of a vehicle, a locomotive or other equipment from that place to the mining site or any part of that journey if it is undertaken for the purpose of repeating a journey referred to in subparagraph (i) or for the backloading of raw materials or consumables for use in a mining operation referred to in paragraph (a) or (b); or

The purpose of this amendment is to substitute a paragraph. The government amendment redrafts the position relating to rebate payable in respect of return journeys from the place of beneficiation. This amendment takes account of and ensures eligibility for rebate for the following return journeys: journeys returning from a place of beneficiation to the place of the mining operation that cover only a portion of the route. This is intended to cover cases where different stages of the journey are completed by different vehicles and modes of transport and also the so-called closed loop transportation, whereby a vehicle which services several mining operation does not always return to the same site. In all cases, sea transport remains excluded.

Senator COOK (Western Australia) (12.46 p.m.)—We are supporting this government amendment. As the minister has explained, this involves a change in the definition in the bill about direct journeys. The amendment in the bill reflects, I think, initially, a lack of understanding of the complexity of modern mining by the government when it framed this provision. Consultations between the government and the community, since this bill has got public exposure has, I think, shifted the government's view on this. It was our intention, had that view not changed, to have of course sought to amend the bill.

The minister has briefly explained what the purpose of it is. But the change sought here will mean that direct journeys can be varied according to whether they encompass other activities which ought to attract the diesel fuel rebate. It is the case in modern mining, for example, that a locomotive may well run from the mine to the beneficiation plant to a port and return by a different route, but which encompasses all of those three things or, in fact, a direct route. All of the activities that it undertakes by going from the mine to the plant to the port, which attract the diesel fuel rebate, are now encompassed by virtue of this amendment. For those reasons, and because the government has shown some good sense in listening to the views of the industry sector, we support this amendment.

Senator MURRAY (Western Australia) (12.48 p.m.)—The Australian Democrats support the amendment.

Amendment agreed to.

Senator COOK (Western Australia) (12.48 p.m.)—by leave—I move:

(9) Schedule 1, page 9 (after line 8), after item 14, insert:

14A Subsection 164(7) (after subparagraph (d)(ii) of the definition of *mining operations)*

Insert:

(iii) of voyages for the transport of people, equipment or goods to or from a place where the mining operation is, or is to be, carried on, or to or from a place adjacent to that place; or

(11) Schedule 1, item 21, page 11 (lines 4 to 9), omit paragraph (z).

Taken together with amendment No. 11, which I am co-moving at the present time, amendment No. 9 will enable, I think, proper recognition to be given to service vessels for offshore activity and will allow, under amendment No. 11, similar services on land, but within the mining lease.

I will just explain that briefly. The purpose of this amendment is to ensure that, where activities such as the oil and gas extraction occurring on the north-west shelf of Western Australia is undertaken, service vessels servicing those offshore rigs will be entitled to claim the diesel fuel rebate for the activity that they undertake in so servicing those rigs. When we had this matter before us last, I instanced the example of the Piper Alpha 1989 disaster. Senators will recall that Piper Alpha was an offshore oil rig in the North Sea. It was engulfed in a fireball, leading to massive destruction, loss of life and damage.

As a consequence of that disaster in offshore oil and gas extraction, a review was done in Australia of the safety provisions for offshore oil and gas operations. As a consequence of that, a series of measures were put in place to ensure that no Australian oil rig, offshore from our coast, would go through a similar experience as Piper Alpha and the disaster that followed; that is, a series of safety checks were prudently and legitimately made and, learning from the British experience, a sensible arrangement has been put in place.

One of those sensible arrangements is for a vessel to stand off an oil rig for safety purposes. This is a mandatory requirement. The vessel needs to be there in case of some emergency on the rig which leads to immediate evacuation of the personnel from that rig. In the seas in which our oil rigs operate, it is fair to say that they are inhospitable and downright dangerous. Humans rapidly evacuating an oil rig would be at considerable risk. The purpose of the safety vessel is to provide back-up facilities in the case of an emergency evacuation, which ought to lead to the protection and saving of human lives.

That is a mandatory requirement and I have taken some time to explain the reasoning behind it. Under the provisions taken together of the Customs and Excise Legislation Amendment Bill (No. 2) 1996 and the act, this is not regarded as a function that ought to attract the diesel fuel rebate. I would argue, and do, that, because it is essential to the operation of the rig for safety reasons, it is essential to the operation of mining—mining in this case being defined as the extraction of natural gas or oil. Therefore, there is a case in principle, because there is no discrimination on behalf of the companies—nor should there be; it should be a clear regulation—that this is an area that ought to attract the rebate. That is, in the first part, the case we put today in support of this amendment.

In the second part, what is true is that there is a considerable intercourse between an offshore rig and the shore. That is necessary in ferrying equipment and personnel to and from the offshore rig, in ferrying supplies and stores to and from the rig and in ferrying maintenance equipment and so on to and from the rig. It is, in our view, appropriate to regard those activities as essential to the operation of drilling and extracting the gas or the oil. To put it the other way around, if one considers this operation without those services being provided, you could very quickly see that the whole thing is reduced to a farce, that in fact you could not have the carrying on of this activity if those services were withheld.

The first people to complain—or, in this case, maybe the second people to complain—if those services were withheld by industrial action would be the government complaining that this had brought the whole operation to a close. They would have a point because it would do that. By not providing the diesel fuel rebate they, in fact, tax the provision of these services to and from the offshore facility. While that will not bring the offshore facility to a close, it is, nonetheless—and I reference my earlier remarks about this in the debate on the second reading—a direct tax as an input tax on the operation of the extraction

of oil and gas and, therefore, a tax that pushes up the price of the final product. To some extent, therefore, we run the risk of becoming less competitive in the international marketplace in which this commodity, LNG, is traded. It is also a tax which is totally inescapable for the purposes of this operation. One can argue whether or not these sorts of taxes should be levied. I do not think anyone can argue that the service vessels are not essential to the operation. Amendment No. 9 supports that view.

Amendment No. 11 would allow for similar services within a mining lease on land to apply. Vehicles used for the delivery of those services within the lease itself would be eligible for the rebate. For the reasons that I have cited above, one can see the support for it within a landlocked situation. It is clear that, on a mining lease, there needs to be the ferrying of equipment, supplies, stores, individuals, personnel and maintenance equipment around the lease in order to keep the mining operation going. I think it is, therefore, clear to argue that such an undertaking is essential to the operation of that lease. If the personnel did not arrive, if the stores did not turn up, if the maintenance parts were not on time, then the efficient operation of the lease would be impaired and, in certain circumstances, may be brought to a halt.

By not providing the rebate in these circumstances, a tax is being extracted on the operation of the mining—nothing more or less than that. It is our view, given the discussions that have been going on about the operation in core areas of mining activity between the government and the private sector, that this amendment should be made and the government should accept it.

Senator PARER (Queensland—Minister for Resources and Energy) (12.58 p.m.)—Opposition amendment No. 9 would reintroduce eligibility for offshore vessels which was removed by the previous government's amendments in 1995, which took out the 'connected with' clauses. The industry itself estimates that this amendment could increase rebate payments by some $20 to $25 million per annum.

It is the view of the government that Senator Cook's arguments are illogical in that, where you have goods, people or services transported to a mining lease on land, those particular vehicles are not eligible for the diesel fuel rebate. Where there is any logic at all within the diesel fuel rebate itself, that sort of logic in this particular instance should prevail. They do not apply on land as it now stands. In regard to safety issues—and this refers to the work boats that go around the platforms—I would also like to draw the chamber's attention to the fact that safety vehicle-type operations on land mining leases, such as ambulances and things like that, do not attract the diesel fuel rebate. The diesel fuel rebate is there for what is termed 'eligible purposes', that is, the mining operation, not the ancillary services that go with it.

I also point out that opposition amendment No. 11 would make transport by rail and sea of inputs to mining eligible for rebate. The effect is potentially significant in that the previously refused rebate for the transport inputs to mineral processing could now become eligible. For these reasons, the government will not support the opposition's amendments.

Senator MARGETTS (Western Australia) (1.01 p.m.)—If this were an amendment which dealt specifically with the safety aspects of mining, then certainly I think there would be a great deal of support in the Senate. If it dealt with the issues of specific safety and such things as fire trucks, then I think there would be a good case for it. It is more a general amendment and it deals with all service vessels to offshore rig vessels. There is always pressure to extend the rebate scheme in various ways to peripheral uses. Some things, such as environmental rehabilitation, the Senate obviously agrees to and some things it does not. But, while I hear the argument about offshore rig vessels, ultimately, whether to include or exclude such activities ends up being a political decision. As I have mentioned before, there is no clear rationale about what does or does not get included in this rebate.

I think there are a whole lot of peripheral items that could potentially be included, if

you thought fit, for mining towns. Diesel for fire trucks might be included. But of course we have just heard that ambulances are not included. After all, mining towns are required to have safety equipment, including fire management equipment. Already there are rebates on things like building airstrips, which may support fly-ins and fly-outs, which are not particularly good for the environment. There is also, so far, no rebate for actually bringing staff in from a neighbouring town by bus. I think this rates a bit with the bus-in and bus-out scenario. I oppose this extension of the rebate.

Senator MURRAY (Western Australia) (1.02 p.m.)—The Australian Democrats will not support the amendments.

Amendments negatived.

Senator PARER (Queensland—Minister for Resources and Energy) (1.02 p.m.)—by leave—I move:

(4) Schedule 1, item 18, page 9 (lines 25 to 27), omit subparagraph (p)(ii), substitute:

(ii) dams, or other works, to store or contain water that has been used in, or obtained in the course of conducting, a mining operation referred to in paragraph (a) or (b) and that contains contaminants that preclude its release into the environment.

(5) Schedule 1, item 18, page 10 (line 2), omit "unpolluted", substitute "uncontaminated".

Government amendment No. 4 covers the construction and maintenance of dams or other works to contain water and extends the bill to provide for water which contains contaminants that cannot be released into the environment as water which is contaminated in the mining process. Government amendment No. 5 is consequential to amendment No. 4 and substitutes 'uncontaminated' for 'unpolluted'.

Senator COOK (Western Australia) (1.03 p.m.)—The opposition supports these amendments. We think the language that the government has now come forward with which amends the government's original bill is better and more expressive of the needs here. It again points to the fact that the bill was drafted in haste with improper consultation with industry. If the consultation had been more thorough, this language would have been corrected, I think, from the beginning rather than it having necessitated an amendment from the government now. But it would be a dog in the manger approach for us to extend that argument much further. We recognise that the government is correcting this situation and we will support the correction.

Senator MURRAY (Western Australia) (1.03 p.m.)—The Australian Democrats support the government's amendments.

Senator MARGETTS (Western Australia) (1.04 p.m.)—What does the phrase 'contains contaminants that preclude its release into the environment' mean? Does it mean 'permanently preclude' or 'temporarily preclude'? To give it some context, I imagine there might be, for example, highly alkaline or acidic water that cannot be immediately released but may ultimately become neutral or be treated to become neutral and thereafter include only some salts which might be acceptable for release into the environment. For instance, water contaminated with hydrochloric acid might be treated with something like sodium hydroxide, with the result that pH neutral salt water is created which could then be safely released—for example, pumped into the sea. Would this be covered?

Senator PARER (Queensland—Minister for Resources and Energy) (1.04 p.m.)—The answer to your question is yes. It could be either, but it certainly covers the latter point that you mention.

Amendments agreed to.

Senator COOK (Western Australia) (1.05 p.m.)—I move:

(10) Schedule 1, item 21, page 10 (line 34) to page 11 (line 3), omit paragraph (y).

This amendment is, I think, one of the more important ones that we will deal with in this legislation. I note that, on the running sheet, following this amendment from the opposition is an amendment from the Australian Democrats on a similar subject within the broad topic. While I think the opposition amendment is superior, and I hope the Democrats vote for the opposition amendment, if the opposition amendment does not pass, I will signify that we will support the Democrats'

amendment. But that would be a second-best option by a long way.

This issue concerns what is colloquially known in the debate over the diesel fuel rebate as light vehicles. Vehicles of 3.5 tonnes or less are excluded within the bill from attracting the rebate where they operate on a mining lease. Clearly what the government has in mind is that only heavy equipment and heavier tonnage vehicles will attract the rebate; vehicles at or below 3.5 tonnes in weight will not. It is hard to understand the reasoning for the government position.

But, before I go to that, I want to go back to the high-level negotiating group that was created to represent the industry in negotiations with the government. The high-level negotiating group, I remind the Senate, has the task of working out which areas of claims the industry would agree to forgo rebate in and which areas of claims the government would recognise and continue with for the industry.

This whole argument devolved into a debate around whether there should be a cap on the amount of rebate claimed—that is to say, irrespective of the merit of the claims by particular companies, claims under the diesel fuel rebate for the mining sector would be capped at a certain figure and, if legitimate claims were made that exceeded that figure because of the growth and expansion of this industry, then all claims would have to be reshuffled and the total payout would be limited by the amount of the cap.

In the negotiations with the government the industry perspective was to argue for the government to recognise that there should be no cap in the core areas of their entitlement and conceded, with a gun at their head, as I argued earlier, other areas in order to win recognition from the government that the rebate remain uncapped. The response from the government is unsatisfactory. It has not specifically ruled out the prospect of capping the rebate.

One of the issues that were put on the table by the government on the very last day of quite an extensive round of negotiations with the high level negotiating group was this issue of vehicles weighing 3.5 tonnes or less. It was put on without notice, with the government demanding that this be included within the package. The APPEA, the body that represents the petroleum and gas industry in Australia, and the Association of Mining and Exploration Companies, a body that represents mining companies and explorers, did not agree to and sign a package which contained the 3.5 tonne vehicles—the item that the government had put on without notice on the very last day of the negotiations, demanding that it be included.

It is a matter of record that the government has not agreed with the cap. What is also now a matter of public notoriety is that the Department of Finance is pursuing a course in which they are proposing within the government structure that a cap on claims for diesel fuel rebate in this industry sector be applied. This early paper from within the government's own Department of Finance has created an angry response from the industry because it is seen as a betrayal by the government of the original negotiations that the industry entered into with it in order to secure a no cap situation.

Various government spokesmen at various times have tried to indicate that the somewhat merely mouthed response to the claims for a no cap implies that, 'Well, you're lucky we haven't yet imposed a cap and therefore you've got a cap agreement.' That type of merely mouthed debate is now, of course, turned on its head with positive moves to in fact impose a cap.

In summary, the government did not come good with its side of the bargain in the high level negotiating talks and has remained somewhat aside from actually honouring the undertaking that has been sought up until now. We know that within government there are now positive moves to impose a cap. That has caused representatives of the mining industry to be in Canberra today and, I understand, later today to meet with the government again to have high level negotiations in order to try to reach an agreement that there should be no cap on diesel fuel rebate claims.

I know in this debate the Democrats take the view that there should be a cap. That view is supported by the Greens, who would take a stronger view that there should be no rebate

at all. The government is proposing that those matters traded by the industry in order to secure no cap should now be picked up and put through in legislation. So all of the industry concessions are taken and none of the government concessions are made.

With that in mind, the opposition supports industry moves, particularly those of the APPEA and AMEC, on 3.5 tonne vehicles. At the end of the day, if you are going to negotiate you have to negotiate in good faith, and this is a clear case of a lack of good faith by the government, of ambushing the industry on the last day, of insisting that the ambushed claim in fact be part of the package and that industry should just simply wear it, and of then selling out the industry position by now debating the imposition of a cap. In broad terms, our amendment is moved against that background.

Let me turn to the specific issues of vehicles of 3.5 tonnes or less on a mining site, in particular what sorts of vehicles they are and whether they are essential to mining operations. These vehicles transport machine parts, personnel and staff around a site, and pick up and return samples or spares that need to be moved around a site. There are usually vehicles dedicated for this purpose. They are easily recognised. They are easily metered in order to assess what amount of fuel they consume and what the rebate would be. It is, again, impossible to say that they are not integral to the mining operation.

A piece of heavy equipment which attracts the rebate is essential to the mining operation. It is facile to say that one piece of lighter equipment which services the maintenance needs of and provides the personnel who operate that item of heavy equipment is not essential to the mining operation. By drawing an arbitrary line between types of equipment based on their weight is to artificially crimp the entitlement for this rebate simply for fiscal needs.

There is no other argument in principle which we can say justifies the drawing of the line here. There is no argument which says that both items of equipment are not essential to a mining operation, because both are. Looking at it even in the specific, it is clear that the government's position here is just arbitrary and therefore taken for fiscal reasons—that is, to save as much money as possible without looking at the essential character of the operations concerned—and therefore specifically there is no argument in merit or principle that can be raised by the government about this.

But, as well, taken against the broad canvas of how these negotiations have been conducted, it would be a travesty if the government did not come clean and recognise that this amendment should pass. Its conduct in these negotiations, as I have said, has been the conduct of holding a gun at the industry's head in order to extract concessions and then claiming at the end of the day that that is an agreement when, clearly, the facts of this matter are that it is not. It is for those reasons that I have moved my amendment.

Senator PARER (Queensland—Minister for Resources and Energy) (1.15 p.m.)—The government will not support these amendments. Let me just speak briefly as to why. The government was faced with excessive growth of the diesel fuel rebate and, in that context, it sat down with the industry to work out ways and means of stopping that excessive growth. A lot of it was to do with loopholes within the Customs Act and decisions that were made by the AAT and courts. Let me make the point very clear: the exclusion of the 3.5 tonne vehicles was actually offered up by the industry in the discussions. There was no gun at anyone's head. The reasoning behind it, I guess, was that in the main these sorts of vehicles are not used for actual mining purposes. They are not used to excavate coal, they are not used to haul coal and they are not used to process coal. In many cases—and I can say this because it is an industry I know very well—those vehicles are used at the mine by inspectors and a range of people like that who go around looking at mines, and for people to travel to and from work.

I simply make the point that there was no relationship, whatsoever, in any sort of cap. The point was made that the government would accept quite willingly that, in any diesel fuel rebate system for eligible purposes,

industry growth and inflation would be taken into account. I would just like to reiterate the point that this was one of the areas offered up by the industry to curb what had been perceived to be excessive growth of the diesel fuel rebate.

Senator MURRAY (Western Australia) (1.18 p.m.)—The Australian Democrats, Senator Cook, will not be supporting your amendment, because we prefer ours. We recognise yours as a much wider approach to this issue and you have articulated your position clearly. We prefer a more confined approach and I will speak at greater length on that matter when we come to our amendment.

Senator MARGETTS (Western Australia) (1.18 p.m.)—I understand that, by this part of the bill, the government wishes to eliminate the diesel rebate for many small vehicles; although, I must say, 3.5 tonnes does not necessarily fit into my definition of a small vehicle, aside from a few specific types. If the government wishes to do so, the Greens WA will support it. I think that a lot of smaller vehicles are used around large mining sites for various reasons and, effectively, if government wishes to reduce the mining rebate by limiting it to large vehicles, that is fine. It really does not matter to us whether these vehicles are legitimately used in mining or not.

It is interesting, however, that the major argument that has been used on a number of occasions by the coalition is that the reason this diesel fuel tax should not be charged is that these roads are private roads. It would seem to me that the actual number of vehicles used on private mining roads is probably greater in the under 3.5 tonne category than it is for the larger variety carrying equipment, but I have not seen the figures on that. It is interesting logic and it is interesting that the companies themselves have offered that up.

The whole thing, as I have said on a number of occasions, is fairly arbitrary. I realise there is concern about the impact of this measure on prospectors, the reason being that prospectors are likely to be disproportionately affected by this. I have also noted with interest that the minister has acknowledged that it will have an impact on inspectors. Perhaps that is why the companies are prepared to offer up this sacrificial lamb—how cynical of me! I will be listening to the arguments put by Senator Murray in relation to the prospectors amendment, but I am unable to support the opposition's amendment to oppose this particular part of the bill.

Senator COOK (Western Australia) (1.20 p.m.)—The minister, in reply to my remark, said that the industry offered up this amendment. I, in speaking to this amendment, said that the APPEA and AMEC had both declined to sign the document because they did not recognise that this was a fair claim. Would the government now acknowledge that my statement with respect to the APPEA and AMEC is true, and that when they say that the industry offered it up, that may well be a comment on what the Minerals Council gave a nod to, but not what other industry organisations and associations supported? Further, would it also acknowledge that this is clear when one looks at the correspondence between those organisations and the government?

Also, can the government now confirm what is notorious—what has appeared in most newspapers that cover this industry sector—that the Minister for Finance, John Fahey, is circulating within government a discussion paper to impose a cap on diesel fuel rebate claims? Finally, will the government explain why they have drawn the line at 3.5 tonne vehicles and not at six-tonne vehicles or two-tonne vehicles? What particular mystic is there that caused them to choose the line to be drawn at 3.5 tonnes?

Senator PARER (Queensland—Minister for Resources and Energy) (1.22 p.m.)—Let me just respond to that. The vehicles offered up were the sort of four-wheel drive vehicles that travel around mine sites and to and from mine sites. As I said, they were offered up by the industry. The offering was made by the high level group, which included people from AMEC.

The third question related to the letter circulated by the Minister for Finance, which I presume you have a copy of, Senator Cook. It was simply our effort—this was the purpose of original discussions with the industry—to

put the problem on the table and ask the industry, in consultation with us, to confront it, which we believe they did.

The aim was to achieve a figure based on the budget estimates, which would be achieved. To refer to that as a cap is somewhat premature because it has always been the view of this government that if it appeared that that figure was being exceeded with the same sort of good faith that was entered into both between the government and industry on the initial discussions, they would again be addressed if it looked like going over a figure that was determined to be based on a reasonable estimate of what the diesel fuel rebate would be, allowing for industry growth and inflation.

Senator COOK (Western Australia) (1.24 p.m.)—Let me persist on this question of offering up this provision. Is it not true, Minister, that neither APPEA nor AMEC have endorsed this provision and they have let the government know that in writing?

Senator PARER (Queensland—Minister for Resources and Energy) (1.24 p.m.)—I am speaking from memory, but it was originally proposed by what they call the high level working group, which was made up of representatives from industry. I do recall a letter subsequently coming in from AMEC saying that, having consulted with their members, they really were not very fussed with this particular proposal. Let me say quite categorically that it is my understanding—I think I am absolutely correct in this—that this was simply part of a series of suggestions made by the industry in order to address the problem which the government had with regards to the excessive growth of the diesel fuel rebate. I am not sure about APPEA.

Senator COOK (Western Australia) (1.25 p.m.)—I want the record clear on this point because it was said by the government that the industry offered it up. The government now admits that, at least in the case of one industry association, they are sure that it has not endorsed this provision and cannot recall what the situation is with the other industry situation, APPEA. My understanding is that neither of them have endorsed it.

So it is not fair in those circumstances—in fact, it is misleading completely—to say that the industry offered up this agreement when two of the leading industry organisations have simply declined to endorse the proposition. It may well be that someone within the high level negotiating group gave a view that this might be an area of claim, but it is also clear and on the record and public that two of the leading industry organisations are not in favour of this change.

I just say all that so that the understanding of what actually happened here is open and transparent. It cannot be said in those circumstances that the industry endorses this position of the government's change. Because of the view of the Australian Petroleum Production Exploration Association and the Association of Mining and Exploration Companies that this change should not be made, we in the opposition are on firm ground in moving our amendment.

I just think, Minister, it is totally misleading to say that the industry offered it up and dismissed this situation on that basis. It might be all right for the big end of town—for those companies in the minerals council—but most of the members of the companies that are typically covered by APPEA and AMEC, while many of them could be characterised as big end of town mining companies, are the small mining entrepreneurs.

Senator Parer—AMEC?

Senator COOK—Yes, AMEC. But if you go through APPEA's books you will see that most of their members are smaller exploration companies. There are all of the headline companies—the eight major oil companies—in APEA, but most of their members are still the smaller companies. When you talk about these associations, it is these smaller aggressive entrepreneurial mining and oil and gas companies that are carrying the exploration effort in this country. They are the ones who use vehicles of this size in the carriage of that exploration effort.

It is quite clear and understandable why their position is that they would not accept an amendment proposed by the government at the eleventh hour in the high level negotiating group. It is quite clear and understandable that

they are the ones who are the smaller companies that need coverage of this sort of size of vehicle. It is quite understandable as well that the nature of their very operations—we take mining as an example—is intensively around vehicles of this size. It is not in their self-interest to concede this, particularly now that the government has recognised within this debate at least that there is a document circulating under the authority of the Minister for Finance to cap the whole rebate scheme.

Amendment negatived.

Senator MURRAY (Western Australia) (1.29 p.m.)—I move:

(3) Schedule 1, item 21, page 11 (line 2), after "used", insert "or a vehicle that is principally used in relation to prospecting".

This amendment covers some of the areas covered earlier by Senator Cook for Labor. The Australian Democrats believe that prospectors undertake an essential high-risk and difficult task for the mining industry. This amendment is particularly directed to that sector of the mining industry. The prospector's end of the industry is a major small business and entrepreneurial sector. The Liberal-National Party government has already ended a tax exemption concession—paragraph 23PA of the Income Tax Assessment Act 1936, which applied to prospectors—so they have already had a major hit on their profitability and their ability to operate.

The government's decision in the Customs and Excise Legislation Amendment Bill (No. 2) to end the diesel fuel rebate for light vehicles which weigh under 3.5 tonnes gross is another hit at this small business sector. Light vehicles are the main off-road item used in prospecting. The diesel fuel rebate has consistently been advanced, in terms of its credibility, as a rebate provided for off-road activity. If any off-road activity is carried out, it is for prospecting. These vehicles and the equipment on them are frequently the major item of investment and the major piece of equipment used by prospectors. So to attack an item of funding on which prospectors have relied would fundamentally alter their ability to carry on their business.

I also wish to deal with the issues raised earlier by Senator Cook. My reading of the scenario is as follows: when the high level group sat opposite the government, they were given an ultimatum. They knew that they had to find savings. They asked themselves, 'What can we offer up, or give up, which is least harmful to us and which we can most manage?' Of course, the big end of town—as described by Senator Cook—was bound to offer up those who were weakest in the situation, who were least well-represented in the discussions of the high level group and who were least able to defend themselves. Those people offered up, as an item affecting them, one of the most important constituents of the mining business—just passed the prospectors by.

It is my view that prospectors do what is probably the most difficult and often the most unrewarded task in the mining industry. Many of them barely scrape a living, and some of them do rather well, which is probably what keeps all of them going. There are literally thousands and thousands of these people. They are the small end of town. When we are seeking to limit and reduce DFR, whether it is on a cap or an abolition basis, they should be the last, not the first, to go. It is for that reason we have introduced our amendment. We have sought to include 'vehicles that are principally used in relation to prospecting'. We think that that will cover the concerns and the problems that I have outlined. Accordingly, I commend the amendment to the chamber.

Senator MARGETTS (Western Australia) (1.33 p.m.)—I am not sure to whom I should direct my question. As I have mentioned before, often the principal argument as to why diesel fuel rebate is not a subsidy is that the roads that are used by vehicles for which the diesel fuel rebate is claimed often are roads that are created by the companies. This is the question in the case of prospecting: when these vehicles use roads, what kinds of roads do they use? I put it that, as they are prospecting, they would be using existing roads—perhaps existing roads produced by councils or governments, and they potentially may ask permission to use existing mining roads. I am not sure how that works.

That is an interesting issue. It has been said again and again that the diesel fuel rebate is

not a subsidy and that the reason it is not a subsidy is that the vehicles did not use, or do damage to, the existing roads paid for by taxpayers or ratepayers. This is the salient question—I use their own logic; I did not go with it in the first place, but I will use that same logic now—when prospecting vehicles use roads, what kinds of roads do they use?

Senator PARER (Queensland—Minister for Resources and Energy) (1.34 p.m.)—In response to both you, Senator Margetts, and you, Senator Murray, let me make the point from the beginning that it was not an ultimatum to the industry. If you go to any mine site, whether it be metalliferous, a coalmine, or one involving oil or gas onshore, you will find that a lot of the vehicles used are four-wheel drives and that the usage of them is fairly high. The industry saw the measure as a way of limiting what could have been seen as the excessive growth of the diesel fuel rebate.

In respect of Senator Margetts's question, one of the major problems in this whole thing is that those vehicles could be expected to use a fair bit of public roads—apart from just, having got to a lease or a prospective site, using their vehicle on that prospective site. The problem with the amendment, and the very question that you have raised, is that, from our point of view, it is incapable of practical administration. If the amendment did go through—bearing in mind it was an agreement with the various industry groups, acknowledging what Senator Cook said—the savings to the government on light vehicles would be substantially reduced.

Senator MURRAY (Western Australia) (1.36 p.m.)—Minister, you said that my amendment would be impractical for administration. But this provision, which is to provide diesel fuel rebate to this class of vehicles, has been in place for many years. Are you saying that it was never practical to administer or that the amendment will make it impractical to administer?

Senator PARER (Queensland—Minister for Resources and Energy) (1.36 p.m.)—Senator, I think that it has always been impractical to administer, which is one of the reasons why there was concern from not only this government but also the previous government about the excessive increase in the diesel fuel rebate for matters which were not considered to be the original intent of eligibility.

What we have is our own bill which, in agreement with the industry, states that these vehicles—they basically are the four-wheel drive vehicles which go around mine sites and are used in other areas—would no longer be eligible for the rebate. If your amendment went through, it would make it difficult, because of the sort of usage of those vehicles, to determine what is and what is not eligible. That is one of the problems we have had in the past.

In discussions you and I had previously, Senator, you wondered whether there was some method we could use—I think through the income tax act—whereby people were designated as prospectors. I do not know whether you have checked up on it but I did and apparently there is no such list; it is done on a case-by-case basis.

Senator MARGETTS (Western Australia) (1.37 p.m.)—There are other issues too. I asked what kinds of roads and the minister indicated there would perhaps be substantial use of public roads. As these are off-road vehicles, we could expect substantial off-road transport going through into areas where there are not yet existing roads and in which tracks will eventually develop because of usage through the bush if they are going backwards and forwards. If that were the case, it would not be unreasonable to extract some sort of levy that might increase the government coffers because that does not necessarily involve rehabilitation if people are cutting roads through bush.

Whilst obviously the Greens have been interested in the issue of small business, it does seem a bit odd to put a bracket around small business related to mining when similar subsidies are not available to other small businesses of the same value-adding nature or other industries which are needed for creating jobs throughout Australia. I have been listening to the argument but whether or not it involves use of publicly provided roads or whether or not it involves use of the bush to

get to sites to find out, I have not yet seen an argument sufficient to sway me that there should not be a diesel fuel tax applied in this regard.

Senator COOK (Western Australia) (1.39 p.m.)—The opposition reluctantly supports this amendment: reluctantly because we cleave to the view that our earlier amendment, which has now been defeated, was the appropriate amendment to make. This is now a fall back and a considerable dilution of the value that ought to flow to industry. Nonetheless, given that our headline amendment has been lost, this is at least something and the case for this is quite compelling. Therefore we support the Democrat amendment.

In support I want to say a couple of things. Let us go back to first principles here. There is a diesel fuel tax in Australia and that tax is levied for the purpose of extracting from road users a tax which can then go towards the maintenance and building of roads around the country. What we are talking about here are not vehicles which classically use those roads, rather we are talking about exploration vehicles.

I think, with respect to her, Senator Margetts is right. Exploration vehicles may well use the Queen's highways in this country from time to time but that is not their purpose. Their purpose is to go off-road and explore. You do not explore for minerals, oil and gas in Australia from major highways. That is clearly the case. When these vehicles are off the highways and are not using the roads or contributing to their wear and tear, extraction of a tax in order to maintain those roads is, in terms of the principle at stake here, wrong.

Despite what it said about the use of exploration vehicles on major highways, I do not think the government would, if really pressed, try to pretend to argue that the reason why the tax will be imposed on these vehicles if the government gets its way is their use on highways. I think that is a farcical allegation and one that is easily defeated. It is an allegation from which the government would move away pretty rapidly when confronted with strenuous argument on it, irrespective of the fact that the minister has put it to us this afternoon.

The first principle involved here is that the tax is levied for the purposes of maintenance and construction of roads in Australia. These vehicles do not use those roads, therefore it is appropriate that they attract the rebate. That is what the rebate is for. To bring them into the bag where they do not attract the rebate and where they have to pay the tax is to just regard them as, without intending to make a pun, a vehicle for taxation purposes alone—a revenue raiser. It is not related to the principles under which the rebate or the tax are to be applied in the first place.

On first principles I do not think the government has any case whatsoever. There is a matter, though, that has been raised by the Greens which is substantial and needs to be recognised. That argument goes—to paraphrase my impression of Senator Margetts' argument—'We do not think they are actually used on highways so we—

Senator Margetts—No, I didn't say that.

Senator COOK—You indicated that you do not think that they are used on highways to any extent; they are used off-road. Your argument, as I understand it, is that if they are used off-road for exploration purposes they may then be doing some damage to minor roads—that is, ancillary roads—or to the environment and therefore no rebate should apply to them because they should make a contribution for that. I took the main point of your argument, in supporting the government's position, essentially that their off-road use was being focused on more by you than their alleged on-road use and that their off-road use may well damage the environment in some form and therefore it is appropriate that they pay the full diesel fuel tax.

Senator Margetts—That's not a good precis.

Senator COOK—It is not a good precis? I am sure you will correct me, if you have the opportunity, in a minute. Let me focus on what part of that precis I understood to be the accurate part—that is, when they are off-road they may be doing some damage in some form and therefore they ought to pay a tax.

There may be considerable justification in that argument but I think it is wrong to impose a tax meant for purpose A on a body

because they may be justifiably attracting a tax under item Z. You cannot mix here. The tax ought to be specific for its purpose. Once you start arguing conveniently to bring into the case other things that may be the case you create a fuzzy and unfocused definition of what this tax is there for.

So, if there is—and I have not yet conceded that there is—a case for a tax for environmental aspects of this, it should be under another heading specifically for what it stands for, rather than encompassed here for convenience's sake, and convenience's sake alone. Otherwise we will find that diesel fuel tax will be applied to all sorts of things for which it was never intended and taxpayers will rightfully rebel, arguing that these do not in fact encompass the definition of why this tax is being imposed. Therefore you will get into this terrible situation of people avoiding it or rejecting it or creating dispute about it. Tax should be simple and direct and stand for what it is applied to.

In evidence before the Senate Economics Legislation Committee when the committee was considering the bill, was inquiring into it, the companies here did not say that they were not prepared to pay tax; they argued what sort of tax. They argued against a tax on business inputs, which a diesel tax is, and said that the appropriate tax to apply, if you are wanting to extract a tax from these companies, is one to their profits. That is the appropriate place, so that you do not push up their prices and make them uncompetitive by applying an input tax.

If the government heeded that view, in their thirst for fiscal consolidation and in their thirst to raise more and more funds out of this industry, they ought to take the industry at its word about its profits, rather than reject that or bypass it and attack the industry at its cost level by imposing more and more input taxes on this industry—and imposing them, I might add, in direct defiance of the government's own undertaking prior to the last election that they would not increase taxes in this country nor extend existing taxes. Here the impact is to extend existing taxes, and the only defence the minister has given is that in some cases of what is before us the industry have agreed. In some cases they have agreed, but that does not absolve the government from the fact that, whether or not the taxpayer may agree to an extension because they have a gun held at their head and they have got no real choice, the government is here explicitly breaking its election undertaking about the extension of new taxes, because it is.

So, going to first principles on this argument, there is no justification for vehicles which are substantially for prospecting and which therefore are for off-road use to have to pay a tax for the maintenance of major highways and the building of new roads in this country, because they do not use them. To the extent that they do use them, okay, tax them; but, to the extent that they do not use them, do not tax them and do not create a new category. And do not drag in side issues, irrespective of how important those side issues may be, as simply a justification that somehow the definition of this is elastic and you can impose a tax whether it was truly meant for that function or was meant for something else.

The second point of view I wish to put here is the importance of exploration. I do not have a lot of time to put this point of view, so I will put it in summary form. The government has often made the point—it is a major booster for the industry in its rhetoric, as opposed to being a booster in its actions—that the future of the Australian mining, oil and gas industries resides with prospectors—

Senator Parer—With exploration.

Senator COOK—With exploration. Thank you, Minister. I agree that, if you do not have a healthy level of exploration going on in this sector, you cannot be sure about the long-term future of this industry. We see that exploration increasingly these days is finding new and hitherto unrecognised associations of minerals, which opens up and challenges existing exploration paradigms and causes areas that people thought were well prospected to be looked at again.

What we have, by imposing a tax on these vehicles, is the government in fact imposing a tax on exploration. I again say that the future of this industry is directly related to the level of exploration that is going on. The

most sensitive strategic input for the future wellbeing of this industry, which is Australia's biggest export earner and employs a substantial number of Australians, is exploration, and the government is going to tax exploration. In the government's announcements previously about the importance and strategic value of exploration, there is absolutely no justification for that in these circumstances in economic theory, and there is no justification for this in fact either.

I could speak a lot longer on the question of the importance of exploration and the fact that we are now to have our exploration effort taxed, but in the short time available to me let me turn to the third point—one that the minister himself has produced in argument—as to why this amendment from the Australian Democrats should not proceed, the point I think rejected by Senator Murray. It is that the government is incapable of providing practical administration—those were the minister's words as I took them down—should this amendment go through. I do not accept that as an explanation. I think in this day and age to say that it is beyond the wit of, in this case, the customs department to devise a way to differentiate the use of exploration vehicles from other vehicles is rubbish. I think it is possible to define, and to do so relatively easily, the difference between a vehicle used for exploration purposes and for prospecting from vehicles used for other purposes.

I think the only complication in this argument is when vehicles are used for prospecting and for other purposes and to what extent they are used for one or the other. But most of the vehicles that are used for prospecting, in my experience, are purpose built or dedicated to that purpose, and overwhelmingly the majority of them are easily identified. Frequently there is a rig or a drill installed on their tray, they carry equipment and are fitted out to carry equipment specifically for prospecting purposes, and it is not hard to know which are the ones for prospecting and exploration and which are the ones which are not.

The government has had no difficulty telling farmers, for example, in the use of tractors or other farm equipment within the farm which may be used on road, how to assess the use of one function of that equipment against another function of that same equipment. If they can do it in those circumstances, why can they not do it in this circumstance? I just do not accept a blanket rejection that it is administratively impossible.

I do know that the rebate is, in effect, tax legislation. There is a whole industry out there geared to finding ways around the tax system—a whole industry based on saving money by tax avoidance and the promotion of tax minimisation schemes—and any amendments that are made will come under the scrutiny of that sector. That is true no matter what happens. I do not think the fact that there is an active industry putting these measures under scrutiny means that it is impossible to draft administrative arrangements in order to be avoidance-proof. I again say, as an example, that the government believes that it has done so with respect to farmers; why it ought not apply the same effort and ingenuity to do so for miners is beyond me, but my time has expired and perhaps the minister might care to tell us.

Senator MARGETTS (Western Australia) (1.54 p.m.)—I would like to address some of the points that Senator Cook has made and also clarify what ended up being his paraphrase of my argument. Senator Cook comes from Western Australia and we all know—and especially if we are talking about purpose-built exploration vehicles—that Western Australia is a very large state and you would not choose to go all the way to a location off-road if you could choose not to. You would take the blacktops as far as you could, I imagine, to reduce time—time is money, especially to prospectors—and you would use existing roads where you could.

I was not using my own argument in relation to roads and fuel taxes. I was actually throwing back the argument that is used by the industry in relation to excise on fuel taxes, because fuel taxes do not go directly to roads and nor should they. We should be helping to create alternatives to the use of roads where possible in many instances and, if it means that transporting for mining means that roads

or tracks are being created, then yes, that is damage—it is real damage—and why should excise collected not be used for repairing that kind of damage. If we are supposedly using money to repair damage to roads, why not use it to repair the damage caused in creating tracks sometimes.

There is no logic to that. We know that people say that fuel taxes should be used only for the repair of roads. I know that that is not necessarily the case. I think we have to say that the logic of Senator Cook's argument is not entirely there. It is not, as far as I understand it—and if there are any figures, it would be good to see them. I do not think the majority of travel done for prospecting is done off-road. A lot of it is, certainly, but I think the very large distances in places like my state of Western Australia would indicate that a company would be likely to be located in places like Perth up to the point where they felt that they were going to go beyond the prospecting stage and set up a regional area from which they would be operating.

If you were travelling from Perth—up north or in the east, in the goldfields or even down south—to save money and to save your own vehicle as well, you would be using established roads as much as possible until you got to the point where you had to go off-road. I think the logic in that and the paraphrase of Senator Cook needed to be addressed.

Question put:

That the amendment (**Senator Murray's**) be agreed to.

The committee divided. [2.01 p.m.]

(The Chairman—Senator S. M. West)

Ayes	33
Noes	34
Majority	1

AYES

Allison, L.	Bolkus, N.
Bourne, V.	Carr, K.
Collins, J. M. A.	Collins, R. L.
Colston, M. A.	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.
Harradine, B.	Hogg, J.
Kernot, C.	Lees, M. H.
Mackay, S.	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.	Alston, R. K. R.
Boswell, R. L. D.	Brown, B.
Brownhill, D. G. C.	Calvert, P. H.
Campbell, I. G.	Chapman, H. G. P.
Coonan, H.	Crane, W.
Ellison, C.	Ferguson, A. B.
Gibson, B. F.	Heffernan, W.
Herron, J.	Hill, R. M.
Kemp, R.	Knowles, S. C.
Macdonald, I.	Macdonald, S.
Margetts, D.	McGauran, J. J. J.
Newman, J. M.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.

PAIRS

Bishop, M.	Minchin, N. H.
Childs, B. K.	Ferris, J
Conroy, S.	Lightfoot, P. R.
Lundy, K.	Eggleston, A.

*** denotes teller**

Question so resolved in the negative.

Progress reported.

QUESTIONS WITHOUT NOTICE

Hong Kong

Senator SCHACHT—My question is directed to Senator Hill, the Minister representing the Minister for Foreign Affairs. Has the Australian government been approached by any other country with a view to boycotting the swearing-in ceremony for China's appointed law making body for Hong Kong? What factors has Australia taken into account in making its decision as to whether to attend? Does the government endorse an appointed rather than an elected body?

Senator HILL—Certainly I do not know about Australia being approached by other parties.

Senator Schacht—What do your briefing notes say?

Senator HILL—I am just looking at that. I am happy to seek further advice on that aspect of your question. I think the answer would probably be that, if it is a communication between governments, we would be reluctant to take you into our confidence. But, as I said, I will seek further advice on that part of the question.

It is true, as you have said, that Australia has made the decision that we should be present at the swearing-in of the Provisional Legislature. As Mr Downer said in a press statement on 22 December 1996:

> The Australian government considers it important that the Provisional Legislature should exist for as short a time as possible. Elections for a Legislative Council be held as soon as possible after the transfer of sovereignty, consistent with the undertakings by China under the Joint Declaration of Basic Law to provide an elected Legislative Council for Hong Kong.

On the basis of those undertakings that have been given, we are prepared to attend the swearing-in of the Provisional Legislature. I think that by and large answers your question.

Senator SCHACHT—In a very mediocre way, I must say. My supplementary question is: Minister, you said that the government favours an elected body replacing the provisional appointed body as soon as possible. Has the government determined yet what a time limit would be for 'as soon as practicable'? Is it the end of this year, the end of 1998, or by July 1998? Or is this one of those things that can be stretched out forever and a day so that the Chinese government is under no pressure to have an elected assembly or council?

Senator HILL—No, that is not our position at all. As I said in my answer, Mr Downer has said that the Provisional Legislature should exist for as short a time as possible.

Senator Schacht—What is the shortest time?

Senator HILL—As short a time as possible.

Telecommunications

Senator PATTERSON—My question is directed to the Minister for Communications and the Arts, Senator Alston. Minister, will you inform the Senate about the benefits to consumers from increased competition once the new Telecommunications Act takes effect from 1 July 1997? What benefits have overseas consumers already enjoyed from similar reforms?

Senator ALSTON—There are some very interesting and exciting indications from offshore about what we can expect in the new deregulatory regime. Of course, if Labor had its way we would still have a wholly owned government carrier and we would not have anything like the amount of competition that we are facing up to now, because with a partly privatised telecommunications carrier there is a much greater incentive to ensure that it gets its cost structure right; that it does not just price a little below the market level or the official level set by price caps but that it really does start to dig deep. Once it does that, it sets the trend and others have to follow.

So there are some interesting examples. One that has come to mind is a recent study by the Henley Centre for Forecasting, entitled 'The family shopping basket'. This is in the UK. It said:

> UK living standards would be 10 times higher today if the weekly shopping bill had fallen in line with the cost of a phone call since 1975. A long distance call which cost 90p in 1975 costs less than 40p today.

Senator Schacht—How much have local call charges gone up in England?

Senator ALSTON—The local call charges would not even look like falling if we had had your pro-union, preselection convention approach taken to Telstra's cost structures, because Telstra has historically had amongst the highest local charges in the world. The reason they have had that is that you would not let them streamline; you would not let them get up to world best practice; you insisted on them finding plenty of jobs for your mates

and not keeping their eye on the ball. They are doing that at long last. They are very grateful to be freed from the shackles of the constraints that you imposed. As a result we will start to see some really decent competition.

In the five years to April of this year the real price of a Sydney to Melbourne STD call has fallen by 33 per cent. The real price of an Australia-USA IDD call fell by 21 per cent and the real cost of residential line rental fell by 24.2 per cent. That is just a taste of what is to come in a fully deregulated and competitive environment. What you will find is that, instead of having a duopoly for general carriers and a triopoly for mobile carriers, there will be an unlimited number of new entrants, and a number of those players are very keen to offer very substantial discounts. People like Tele 2000, WorldxChange, Primus Globestar and Northgate Communications are not just switch resellers; they are aggregators who are offering very substantial discounts. They are offering savings of up to 40 per cent and more on typical long distance and international bills. World Exchange has announced the provision of services to ACT customers allowing them to call interstate cities at 23c a minute.

The Productivity Commission recently found that Telstra and Optus charged something like five times as much per minute for international calls as the actual cost of that service. Of course, with some service providers offering calls for as little as 45c compared to the average cost of $1.11 charged by Optus and Telstra, we can expect that there will be very dramatic discounts. Phone calls on the Internet through providers such as OzEmail will again show dramatic reductions.

All of this is coming about because we were able to get the package through the Senate, despite the best endeavours of some of those opposite who would have opposed some of those major changes but very significantly because Telstra will for the first time be in a position to offer very significant competition in a streamlined fashion, not in the old bloated way that suited some of your internal policy objectives but certainly were not in the national interest.

So there is a lot happening out there. The ACCC has recently announced a draft determination for the price new operators have to pay for interconnect to Telstra's backbone network and from 1 July the interconnect regime will mean that prices will drop by over 40c, from 4.41c per minute to 2.74c in peak periods and from 2.35c to 1.19c per minute in off-peak periods. In other words, there will be very significant price reductions. Optus undoubtedly would like to see the ACCC go even further. I have no doubt that competition will have that effect in due course.

Another amendment which we managed to get through despite the endeavours of the Labor Party was to ensure that the cap imposed on local call prices will be adjusted each year in line with the revenue weighted average local call price in the major capital cities, ensuring that outside the capitals you will still get very substantial benefits from competition—for the first time ever, I might say, in this country. *(Time expired)*

Government Policies

Senator SHERRY—My question is to Senator Hill, the Minister representing the Prime Minister. Is the minister aware that a former Liberal leader, Mr Hewson, has accused the Prime Minister, Mr Howard, of showing—

Senator Tierney—Doctor to you.

Senator SHERRY—Dr Hewson, a well-known economist—of showing a clear lack of leadership on economic and race issues? Is Dr Hewson correct in asserting that the government is operating on a political formula of 'prejudice, populism and pragmatism'? Is that just a case of sour grapes from another failed Liberal leader or is it Dr Hewson reflecting the views of the business elites?

Senator HILL—I did see some press reports yesterday that, apparently, a tape recorded by Dr Hewson, to be played at some meeting of a Liberal forum, was alleged to contain the content along the lines of that which Senator Sherry said. It was not actually a quote of Dr Hewson in the newspaper at all. But I think the important thing is that this is not only a pragmatic government but also a

principled government. It is dealing with a whole range of major national issues in a sensible and rational way, and in a way that will bring both short-term and long-term benefits to the Australian community. I think of the hard decisions that we have had to take on the economy—

Senator Bolkus—Prejudiced and vindictive, and you know it.

Senator HILL—It was a very good decision on tariffs, Senator Bolkus, which I presume that you would applaud, in recent times. We have real leadership for a change, Senator Bolkus, to keep Australians in jobs and give our industries the chance to be efficient and prosperous in the years ahead. I simply take the opportunity to reiterate that this government is about principle as well as pragmatism. In fact, I think it is going very well.

Senator SHERRY—Madam President, I ask a supplementary question. Talking of Liberal principle, Minister, is Dr Hewson correct in saying that the government attempted to ride on the wave of the Hanson phenomenon and that members of the government had boasted how successful the strategy was? Are members of the government still boasting how successful this strategy is?

Senator Carr—They are deeply involved with Hanson.

Senator HILL—Of course that is not true. Members of the government are not doing that, and I doubt if Dr Hewson said that. If he did say it, he obviously does not understand the position.

DISTINGUISHED VISITORS

The PRESIDENT—Order! I draw the attention of honourable senators to the presence in the President's gallery of members of the Ethics Committee of the Lok Sabha of India, led by Mr P. Upendra. I welcome you to the Senate. I trust that your visit to Australia will be enjoyable and informative.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Small Business

Senator KNOWLES—My question is to the Assistant Treasurer, Senator Kemp. Minister, could you inform the Senate of the measures contained in this year's budget to further help small business to expand, to invest and to create jobs?

Senator KEMP—Thank you for the important question. This side of the parliament is quite different from the other side, because we are interested in small business. We are interested in providing assistance to small business and, as Senator Knowles implied, the government sees small business as critical to boosting jobs and cutting unemployment. For this reason, the government is unashamedly pro-small business—not like you, Senator Sherry.

The budget furthers the major tax reforms this government has introduced to lift the tax burden on small business. Three hundred thousand small businesses will be given the option of remitting tax to the tax office on a quarterly rather than on a monthly basis. This means a two-thirds reduction in the number of remittances. This will provide those businesses with a $500 million tax deferral in 1998-99; in other words, a cash flow benefit of some $500 million.

This comes on top of a range of other measures the government has introduced to help small business to grow. We have cut the provisional tax uplift factor from eight per cent to six per cent and introduced legislation to guarantee the uplift factor remains at a fair level; provided CGT rollover relief for small businesses; provided a CGT exemption for small business owners on retirement; doubled the FBT minor benefits exemption threshold to $100; and been able to reduce the FBT bookkeeping requirements. We have exempted small businesses from FBT on car parking on their business premises and extended the CGT treatment to gains and losses on the realisation of eligible equity investments in small and medium sized businesses by lending institutions to encourage lenders to make long-term investments and become equity partners in SMEs.

These are enormous improvements and reforms to the tax system which will serve Australia well, now and into the future. This will help grow small business and will help bolster investment and create jobs. This is in complete contrast to the sorts of policies which we saw followed by the Labor Party during its term of office, the major thrust of which was to increase taxes on small business and, indeed, on all people, to raise taxes, and to bring in forms in the industrial relations area which made it extremely difficult to manage many small business enterprises.

Australian Broadcasting Corporation

Senator FAULKNER—My question is directed to Senator Hill representing the Prime Minister. Will you confirm, Minister, as fact the claim by Mr Tony O'Leary of the Prime Minister's office that Mr Howard's staff had no involvement in the drafting of proposed questions to be put to the ABC during the estimates process? I ask further: what steps has the government taken to investigate such allegations and, if they have been investigated, what are the results?

Senator HILL—I understand that the Prime Minister's staff did not participate in the drafting of the questions about which I think you are referring. But I have to say that, even if they did, I find it hard to identify the crime in question. As I said, I have answered the question.

Senator FAULKNER—Madam President, I ask a supplementary question. Perhaps Senator Hill could explain to the Senate why Mr Howard did not deny this on the *7.30 Report* on Thursday night. I take it from your denial, Senator Hill, that obviously this sordid little scheme must have been hatched somewhere else. Perhaps you could let us know, and let us know if you consider that perhaps, in fact, it was hatched in Senator Alston's office. Do you consider this an appropriate use of prime ministerial or ministerial office resources?

Senator HILL—This is really quite extraordinary. What is the crime? What is so wrong with the Prime Minister's staff, if they did, assisting in the drafting of questions? What is wrong with that? There is nothing at all wrong with it. The circumstances in this case, as I understand it, are that they did not. Even Mr Johns, I understand, said that the questions did not damage the ABC or reduce Mr O'Brien's standing. So what, Senator, is the problem?

Federation Fund

Senator KERNOT—My question is addressed to the Assistant Treasurer. On *AM* today, the Prime Minister referred to the billion dollar Federation Fund as evidence that the government was doing something about creating jobs over the next 18 months. Is it not true that the budget papers show that not one dollar will be spent from the Federation Fund over the next two years? So how can the Prime Minister truthfully make this claim about job creation from this fund over the next 18 months? Is not the Prime Minister panicking about public reaction to his government's policy failure on employment and is he not misleading the people of Australia—

Senator Campbell—You're misleading them because you have misquoted them.

Senator KERNOT—No, I am not. Is he not misleading them when he makes his claim about the Federation Fund?

Senator KEMP—I thank Senator Kernot for the question. This government has the need to create employment as a No. 1 one priority. As you are aware, Senator Kernot, when we came into office we inherited a fiscal mess which had been left by the previous government. We have made a number of proposals which will help boost employment, one of which has been the great capacity of this government to assist in taking the pressure off interest rates. The very substantial reductions in interest rates which have occurred under this government are a reflection of the responsible policies that we have followed.

Further, we have had a number of other schemes which are important. We have sought to bring in reforms to the industrial relations area, Senator Kernot. You have assisted us to a certain extent, but we are seeking the assistance of the Democrats in further changes to that act which have been announced by

Peter Reith and which, I regret to say, the Labor Party, as always, will oppose. But, if the Democrats are really interested in assisting employment, they will support the government.

One of the major initiatives which we brought down was the Natural Heritage Trust, a very important initiative with spending of over a billion dollars, which was opposed by the Labor Party and, Senator Kernot, I am sorry to say, by you. Fortunately, a majority in the Senate saw not only the importance of this fund for the environment but also the importance of this fund to help boost jobs, particularly in rural and regional Australia.

We have also announced the Federation Fund, to which you referred, a fund which is going to be spent in consultation with the states and territories and which we believe will provide a very important boost not only to mark the federation of this country but also to help spending on worthwhile jobs.

So this government has tackled, and is determined to tackle through its policies, the economic fundamentals so that this economy can grow in a sustained fashion. I have mentioned to you not only the Federation Fund but also a range of other measures which will help employment.

Senator KERNOT—Madam President, I ask a supplementary question. Minister, is it not true that the regional telecommunications program, which you are referring to, was already announced and under way by Telstra; that it is just a reallocation of money? Is it not true that the Natural Heritage Trust fund will create, at most, 4,000 to 5,000 jobs a year, and that is after you have abolished 21,500 jobs from the former LEAP and REEP programs? On the unfair dismissal front, is it not true that people like the Motor Trades Association and the Pharmacy Guild have said, 'Forget about reform of unfair dismissal. Do something about unfair trading to help small business generate jobs'? Where are your job-generating policies?

Senator KEMP—If we had followed the policies which the Australian Democrats were putting forward, spending would be higher, taxing would higher and employment would be less. Senator Kernot, I think that you, along with the Labor Party, have not got the right to lecture this government on jobs. Particularly, I have to say, your concern for small business is exceedingly half-hearted. We have delivered, as I mentioned in an earlier answer today, some very substantial gains for small business on the taxation front. We are tackling the unemployment issue in a way which will deliver sustained growth in the economy. Rather than trying to prevent the government from putting its policies into effect, I suggest that you provide us with support.

Technical and Further Education

Senator CARR—My question is addressed to the Minister for Employment, Education, Training and Youth Affairs, Senator Vanstone. I refer to your colleague Dr Kemp's proposal to introduce a HECS type scheme for TAFEs. Last Tuesday you told a Senate estimates committee that neither you nor Dr Kemp had asked for such a proposal to be considered. Do you stand by that statement? If so, then how do you explain the claims by the Victorian minister for training, Mr Honeywood, that at the 23 May meeting of the vocational education and training ministers Dr Kemp had introduced and sponsored an ANTA document that canvassed a deferred payment mechanism for TAFEs and that the clause had only been removed after protest from Victoria and other state ministers? Statements by both Mr Honeywood and Dr Kemp have confirmed that the matter was considered. Do you maintain that the matter was not considered?

Senator VANSTONE—I thank Senator Carr for the opportunity to make the record clear with respect to this. This government is not considering—that is a negative, Senator Carr; I might have to repeat this for you on a number of occasions; you have asked it before—the introduction of a HECS type scheme in the vocational sector. I gave you that answer before. I give it to you again. I cannot make it any clearer. I think Dr Kemp has given that answer. That should make you satisfied.

Senator CARR—Madam President, I ask a supplementary question. Minister, you were asked a question at the estimates concerning

the government's having considered the introduction of a HECS style scheme. At that estimates hearing, the Chief Executive Officer of ANTA and you indicated that the matter had 'not been considered by ANTA and, as far as I am aware, has not been considered by ministers'. If that is not the case, how could you allow that statement to remain on the record and why did you not correct that statement at the estimates hearing? Was it not the case that Dr Kemp introduced and sponsored an ANTA document at the meeting of 23 May which included a provision for a deferred payment scheme for TAFEs?

Senator VANSTONE—Senator, I repeat the answer for you: this government is not considering—that is a negative—introducing what you might refer to as a TECS. I know you want to go out and create uncertainty in the community. I know you want to go out to all the vocational providers and say, 'There's going to be a TEC scheme.' Some of them might actually quite like that, if they could defer their payments. But this government is not considering the introduction of such a scheme. We are not introducing it. Have you got that? We are not considering introducing it. We are not considering introducing it. How many times do I have to tell you? We are not, not, not considering introducing it.

Environmental Impact Assessments: Freedom of Information

Senator MARGETTS—My question is directed to the Minister for the Environment, Senator Hill. Is the minister aware of a decision handed down on 19 May 1997 by the Administrative Appeals Tribunal which found that three technical reviews of a consultant's submission commissioned by the Australian Nature Conservation Agency, which were not released under a Freedom of Information Act application on the grounds that they were exempt from disclosure under sections 43(1) and 45 of the act, were in fact not exempt documents under the Freedom of Information Act? Does the minister agree that this decision, at best, highlights a misunderstanding by his department of the provisions of the Freedom of Information Act or, at worst, is a deliberate attempt to withhold information that should rightly be in the public domain as part of a transparent environmental assessment process? Either way, what action does the minister propose to take as a result of this decision by the AAT?

Senator HILL—If it is the matter I think you are talking about, of course there is no deliberate intention to avoid responsibilities under the act. There are requirements under that act for judgments to be made and, in this particular instance, the AAT decided that the department was in error. As a result of that, the documents in question will be provided.

Senator MARGETTS—Madam President, I ask a supplementary question. The minister did not answer the part about what action he proposes to take as a result of this. But, as this case was undertaken on behalf of the applicant by the Environmental Defender's Office, does the minister agree that this case also highlights the fact that, with the government's new restriction on the ability of the EDO to undertake litigation work, the community's ability to fight for proper access to information in relation to environmental impact assessments will be severely limited if his department continues to block any attempt to obtain such information?

Senator HILL—This matter was really some time ago. But, as I have said, there was no deliberate attempt to block the provision of information. The department makes judgments to the best of its ability under the terms of the act and that requires interpretation of the provisions and the application of the facts to those interpretations. In this instance, the AAT decided that the department was wrong, as a result of which the documents will be provided. My department advised me of that some time ago. I accept its explanation. It also said that it did not wish to take the matter further, and I accepted that advice as well.

Science and Technology Awareness Program

Senator COOK—My question is directed to Senator Parer, the Minister representing the Minister for Science and Technology. Is it a fact that a $20,000 grant approved to Australians for an Ecologically Sustainable Population under the science and technology aware-

ness grant program was vetoed by Minister McGauran four weeks later? What were the circumstances surrounding the approval and withdrawal of this grant? What role was played by the minister or his staff in the withdrawing of the grant? Is it a fact that Mr McGauran's office has denied that the minister played any role in the withdrawing of the grant? Is it also a fact that in the Senate estimates committee Mr Malcolm Farrow, First Assistant Secretary of the Department of Industry, Science and Tourism, when asked whether the grant was 'knocked out by the minister's office' replied, 'By the minister'? Minister, who is telling the truth—the minister, Mr McGauran, or the First Assistant Secretary, Mr Farrow?

Senator PARER—I understand from the minister that, following national advertising and a mail-out, 179 applications for funding support from the science and technology awareness program were received requesting a total of $11 million. Advice on projects to be supported was offered to the Minister for Science and Technology from a four-member science and technology awareness grants committee. The minister approved 36 projects to receive science and technology awareness program funding support. The objective of the program is to increase awareness and understanding of the central role which science and technology play in Australia's economic and social wellbeing. In considering the Australians for an Ecologically Sustainable Population Inc. application, the minister formed the view that it would contribute less to the STAP objectives than a number of other applications under consideration.

Senator COOK—Madam President, my supplementary question is: so Mr Farrow is right and the minister knocked out the application?

Senator PARER—I think I have made it very clear that this went before a committee. There were a lot of applications and, of the 179 applications, 36 were approved.

Higher Education Funding

Senator PAYNE—My question is directed to the Minister for Employment, Education, Training and Youth Affairs. Recently the President of the Vice-Chancellors Committee, Professor Fay Gale, referred to the funding of universities as being capped at current levels. Will the minister confirm to the Senate that government expenditure on universities has been capped rather than cut and, if so, why universities are making cuts to staffing and other expenditures?

Senator VANSTONE—I thank Senator Payne for the question. I did see the report of this comment by Professor Gale. As I understand it, it is a comment made in a book that is about to be launched and it is the first report that I can recall having seen where the Australian Vice-Chancellors Committee or any member thereof has publicly admitted that the government is in fact effectively maintaining spending on universities in real terms. It is a very important admission, especially from the head of the Vice-Chancellors Committee, to be saying that funding has been capped—in other words, not cut.

You might recall, Madam President, the fuss that some in the university sector made last year when I said that the funding changes at universities were nicks, not cuts. They were in fact against forward estimates—that is, what universities hoped to have—not against what they had. The idea that there would be cuts to higher education spending was very firmly established in the media last year, months before the budget was even announced. The higher education sector decided to conduct a campaign to convince Australians that spending on higher education and money available to higher education were to be reduced.

At that stage I made it very clear that the higher education sector could not be quarantined from the substantial budget savings task inherited from Labor's fiscal ineptitude. Although reluctant to publicly support the achievement of savings through increasing HECS, the universities made it very clear, mostly in private but not all, that this was to be preferred to cuts in spending and the number of places available at universities. In other words, when push comes to shove, the universities would rather see an increase in

the higher education contribution scheme and maintain their funding.

The budget package that was finally approved met the universities' preference for HECS changes rather than actual cuts to their spending. Government spending on universities has been capped at about $5.4 billion a year, which is about 1995-96 levels, for this year, next year and the year after. The operating grant component of this spending will remain at about $4.7 billion in real terms this year, next year and the year after.

It is very important—Senator Payne's constituents will be interested in this—that spending per student will be effectively maintained in real terms. In actual dollar terms, there will be increases to take account of inflation. A graph illustrating what happened to funding per student when Labor got in in 1983, when it was up near $12,000, shows that they progressively took it down to nearly $11,000 and had to slowly but surely move it up from there.

In the out-years that I am looking at, funding per student adjusted for the clawback still stays over $11,100. So quality at universities, to the extent that it can be judged by funding, has not been affected. The reason universities are making dramatic changes in some cases is that the previous government decided, and this government agreed with this decision, that if universities needed a salary rise—and there was no doubt they did need it—they would have to meet it like everybody else does: through efficiency and productivity gains. Those opposite would not just top up university money for salary increases, and we agreed with them. Universities, therefore, have had to find the money to meet staffing increases and are therefore making these changes.

The new government at no stage said it would increase funding per student to allow universities to award themselves a pay increase. We never promised that. What we have done in response to specific requests is to accede to their longstanding request for universities to be able to offer full fee places once they have filled their government funded places. That will allow them to get more money. *(Time expired)*

Minister for Small Business and Consumer Affairs

Senator McKIERNAN—My question is directed to the Leader of the Government in the Senate. Minister, in asking this question I refer you to the Prime Minister's revised code of ministerial conduct. Minister, is it a fact that the Minister for Small Business and Consumer Affairs has interests in three shopping centres with up to 80 tenants, including franchisees, and yet he recently rejected a unanimous report of a parliamentary inquiry into fair trading which recommended national legislation to protect commercial tenants and franchisees? Is it also a fact that Mr Prosser has persuaded state consumer affairs ministers not to introduce petrol temperature correction at service stations, which would have affected his company Prosser Automotive Engineers? Is it also a fact that Mr Prosser has failed to fully declare his business interests in the register of members' interests and has retained company directorships which conflict with his public duty, in defiance of the Prime Minister's code? When does the Prime Minister intend to enforce this code by demanding that Mr Prosser resign from the ministry?

Senator HILL—I understand that Mr Prosser has maintained his records in the register in accordance with his obligations in terms of the register. Where he holds interests in companies he records them correctly, and where he has direct interest in property he records that correctly as well. I understand Mr Prosser is a successful businessman. I do not knock him for that. I would like to see a lot more successful business people in this country. I understand that he also directly and indirectly employs quite a lot of Australians, and I think that is more good news and I would not mind him employing a few more. I would not knock success, as a matter of interest, Senator McKiernan. I would give it some credit.

The important part of the question is: has there been any conflict of interest within Mr Prosser's ministerial responsibilities? I understand there has been no conflict of interest in relation to those responsibilities. The report on fair trading was received by the govern-

ment on 26 May and will be dealt with in due course by cabinet. I do not believe that there would be any conflict of interest in any matter arising from that but, if there is in dealing with that report, he could of course pass that direct responsibility to his senior minister, Mr Moore. I can assure the Senate that the highest standards as set by the Prime Minister in these matters will be maintained.

United Nations General Assembly Special Session

Senator LEES—My question is addressed to Senator Hill, the Minister representing the Prime Minister. It refers to the Deputy Prime Minister's role as travel adviser to successive prime ministers. Didn't Mr Fischer attack the then Prime Minister back in 1992 for not attending the Rio Earth Summit with the US, UK and German leaders, saying, 'he could have left, say, after the House gets up tomorrow.' On the *Face to Face* program yesterday, did Mr Fischer excuse the present Prime Minister for avoiding the 1997 summit with the US, UK and German leaders because Mr Howard's schedule was 'not all that flexible' as he had to stick to commercial flights? Is this not bordering on low farce? Why will the Prime Minister or his deputy not just tell the truth; that is, that our leaders really are not interested in being good world citizens because they may offend their coal industry mates and are just not prepared to turn up personally and say so?

Senator HILL—I can assure the Senate that the government will be very well represented at the UNGASS meeting in New York and, with all due modesty, I could not think of better representation. Of course, what you could have said was that in 1992 the then Labor Prime Minister of this country did not attend Rio either. Unfortunately, the travel commitments of Mr Howard do not make it possible for him to attend UNGASS, that is, the special session of the United Nations which will look at progress since Rio, on this occasion. The government will be represented at a senior level and will ensure that the interests of the Australian people are clearly put.

Senator LEES—Madam President, I ask a supplementary question. I note with interest your answer, but Mr Fischer's comments come hot on the heels of Foreign Minister Downer's comments as quoted in the *Financial Review*:

> The problem with this whole climate change negotiation has been that it has been handled in a lot of countries by environment officials and in some cases environment ministers . . .
>
> What we are finding now is a growing understanding of Australia's situation as we get our message across to more significant people.

Does this mean that greenhouse is now purely an economic issue? Indeed, is it safe to let environment ministers loose on it at all, and, if the government shares Mr Downer's belief that environment ministers should not deal with climate change, why are you going instead of somebody more significant?

Senator HILL—I was going to give a nice answer until that last and painful lunge, I have to say. Of course this conference is not primarily about climate change at all; it is about sustainable development and progress since Rio. Sustainable development includes the economic dimension, the environment dimension and the social dimension. My friend Senator Newman could just as legitimately be going as I am. We certainly will be looking at the progress of sustainable development since 1992 and charting a course for the next five years. I have no doubt that the conference will touch upon the issue of climate change. We have approached climate change as a whole of government issue because there are legitimate environmental concerns; we want a better global outcome in terms of greenhouse gases. But there are also legitimate economic concerns. We want a good environmental outcome, but consistent with the creation of jobs and economic opportunity. *(Time expired)*

National Health and Medical Research Council: Appointments

Senator FORSHAW—My question is directed to Senator Newman, the Minister representing the Minister for Health and Family Services. Why did the government reject the recommendation of the minister for health and not appoint the AMA National

President, Dr Keith Woollard, to the National Health and Medical Research Council in keeping with past practice? Is it a fact that his appointment was vetoed because he stated that the government does not have the political will to make tough reform decisions? Is it because he dismissed the government's election commitment to retain Medicare, stating that the promise was made only because it was the thing to do politically at the time? Is it a fact that this government is stacking the NHMRC with appointees who will not rock the boat by providing fearless, independent advice?

Senator NEWMAN—Obviously, the senator would be aware that I am not prepared to discuss cabinet appointments in this forum. The appointments are, in fact, cabinet appointments. I understand that the AMA is well represented on that body and I have nothing further to contribute.

Indigenous Australians: Business Incentive Programs

Senator McGAURAN—My question is addressed to Senator Herron, the Minister for Aboriginal and Torres Strait Islander Affairs. Minister, as you would be aware, the government recently announced a new indigenous business incentive program that will further the economic independence of indigenous Australians. Will you outline the initiatives that demonstrate our commitment to achieving self-empowerment for indigenous Australians through economic independence?

Senator HERRON—I thank Senator McGauran for the question because it brings out the very difference between this side of politics and the other. Indigenous Australians are finally seeing a light at the end of a very long tunnel, Senator McGauran; the tunnel, of course, representing 13 years of misguided Labor maladministration. After more than a decade of being encouraged by a Labor government to rely on welfare payments, indigenous Australians are starting to throw off the shackles of dependence. The government is committed to promoting greater economic independence as is evidenced by the new program that you mentioned. Indigenous Australians are starting businesses in their communities and generating employment for their own people.

Senator Bob Collins—Every one you have listed was under the previous Labor government.

Senator HERRON—Just last weekend I visited with the Prime Minister the Tjapukai Aboriginal Cultural Park in Cairns, which is a successful enterprise, a joint venture 51 per cent owned by the Tjapukai people. Its blend of history and culture is outstanding. I would commend a visit to all Australians. I would like to ask how many of those on the other side have actually visited it? I know that Senator Ian Macdonald has been a strong promoter of the Tjapukai cultural park.

Senator Bob Collins—Every shining light you nominate was done under the previous Labor administration.

The PRESIDENT—Order, Senator Collins!

Senator HERRON—I am pleased to report that the minister for tourism, Mr John Moore, has announced grants totalling almost $5 million for tourism projects in rural and regional areas. Senator Collins, you might listen to this because this is new. I am pleased to say that this funding boost includes a number of Aboriginal ventures.

Senator Bob Collins—This will be something new.

Senator HERRON—Yes, it is, Senator Collins. In New South Wales a grant of $30,000 will go to the Aboriginal discover a ranger training scheme. In Victoria, $85,000 will go towards the Brambuk Living Cultural Centre. This project will help to reconcile the different perspectives of the land held by indigenous and non-indigenous Australians.

A further grant of $75,000 will help develop a retail distribution channel for authentic Victorian Aboriginal arts and crafts through selected tourism retail centres. In Western Australia, a grant of $60,000 will go towards the Aboriginal arts and crafts tourism enterprise at King's Park. The money will go towards developing an interpretive area, featuring the work of indigenous artists and residents and their regions. Another grant of $40,000 will go to Kimberley Cultural Expe-

ditions to develop a 10-day cultural tour from Broome to Kununurra.

In South Australia, a grant of $60,000 will go to the Head of Bight Whale Watching Enterprise to developing a whale watching enterprise. This venture involves the Yalata Community Council. In the Northern Territory, a grant of $50,000 will go towards an Aboriginal tourism training centre. The project will provide flexible training for indigenous people in rural and remote areas who want to develop tourism skills. A grant of $25,000 will be given to Peppi Tours Permanent Campsite at Peppimenarti, south of Darwin.

The government will continue to work towards self-empowerment for indigenous Australians through economic independence. The $120 million indigenous business incentive program announced in the recent budget will provide another boost to indigenous business enterprises, helping to create jobs, independence and a more certain future for indigenous Australians.

Norfolk Island: Appointment of Administrator

Senator GIBBS—My question is directed to Senator Hill, the Minister representing the Minister for Sport, Territories and Local Government. Can the minister confirm whether Mr Alan Cadman has been approached with a view to becoming the next Administrator of Norfolk Island? Can the minister say whether newspaper reports of such an approach were accurate or will the appointment go to yet another of the Prime Minister's former flatmates, ex-senator Tony Messner?

Senator HILL—I can confirm that both Alan Cadman and Tony Messner would be well qualified for the job. I have no doubt that there are others in the community who are well qualified as well. All I can say to the honourable senator is that, as I understand it, no appointment has been made at this time, and we should all wait patiently.

Wet Tropics

Senator O'CHEE—My question is directed to the Minister for the Environment, Senator Hill. I understand that over the weekend the government took a major step towards ensuring the long-term protection and ecologically sustainable use of the wet tropics area of North Queensland. Will the minister kindly outline to the Senate what that decision was?

Senator HILL—The Wet Tropics Ministerial Council met in Cairns last Saturday. It comprises Minister Moore and me, together with two Queensland ministers, the Minister for the Environment and the Minister for Natural Resources. It was an historic meeting because the management plan for the wet tropics world heritage area was finally approved. The plan will protect the unique world heritage values of the wet tropics region. It will also promote ecologically sustainable tourism in North Queensland, which is good news for jobs. Approval of the plan is a major boost for the protection of the region's values. It demonstrates this government's commitment to working cooperatively with the states to ensure best practice management of world heritage areas.

The Senate might recall the rather sorry history of this process under the previous administration. It took the ALP two years to even begin to prepare a management plan. After a further 4½ years the ALP had not finished a management plan. They could not even agree with their own state colleagues at the time. So, seven years after the area was listed, the ALP was no closer to finalising a management plan. The Howard government, in contrast, within a period of just over 12 months, has been able to ensure appropriate management of this important world heritage area.

I am pleased to say that our plan has the support of the community of North Queensland, the conservation movement has welcomed its approval, the Queensland Conservation Council have indicated that they are delighted with the passage of the plan after all these years of discussion and debate, and local governments in the region have made constructive suggestions and influenced the final provisions of the plan. The ecotourism industry has expressed its views and we have agreed to keep open two roads previously identified for closure, which will encourage

that ecotourism development. It is estimated that rainforest based tourism is worth over $600 million to the North Queensland economy. The plan will promote sustainable tourism and jobs for the region. To ensure that the full potential of the tourism industry is realised in a sustainable way, work is now under way on developing an ecotourism strategy. The plan also recognises the special position of the rainforest Aboriginal groups.

After nearly seven years of failure by the ALP, the Howard government has worked cooperatively with Queensland to finalise a management plan with broad community support which will protect world heritage values and will maximise the sustainable use of the area by the tourism industry.

Now it is important to move forward—in other words, move to the implementation stage. I have already started that process by establishing a $200,000 fund to protect the symbol of the wet tropics, the cassowary. The fund will enlist the support of the community to address the threats to the cassowary, such as loss of habitat and traffic. Work has also begun on establishing the necessary infrastructure to present the wet tropics better. That work has identified a number of potential projects, including the establishment of new walking tracks and visitor centres.

I look forward to supporting appropriate proposals under the Natural Heritage Trust. This, therefore, is good news for the world heritage values, good news for jobs and a further demonstration of the Howard government doing its job.

University Enrolments

Senator LUNDY—My question is directed to the Minister for Employment, Education, Training and Youth Affairs. Following your response to Senator Payne's question, are you aware that the President of the AVCC, Professor Fay Gale, has accused you of withholding the full story on university enrolments? Is this right? Have you deliberately ignored the figures from universities reporting lower enrolments from disadvantaged groups, including mature age students, single mothers and others for whom HECS is a worry, or do you not care about these groups?

Senator VANSTONE—Senator, my office contacted Professor Gale after her remarks of last week, I think, or perhaps the week before. As was reported to me by my senior adviser, the information Professor Gale was using was information provided to her by other universities and, as I understand it, is not in a form that can be passed on to the government. So I am not in a position to comment on what information Professor Gale used at that point. I have not yet signed a letter back to Professor Gale, but I have asked for one to be done, asking for the information on which she purports to rely.

But, Senator, if you think there is any mileage in your asking this question, let me remind you of something. People on that side of the chamber were keen to say that universities would fall apart with the changes we have made. We have now had an admission from Professor Gale that university funding has been capped at 1995-96 levels, which makes it abundantly clear that the changes they are making are to meet salary increases of academic and other university staff. We now understand that. We were told by people opposite and the Democrats that university enrolments were going to fall.

Senator Stott Despoja—And they did.

Senator VANSTONE—They all have been shown to be wrong. No, do not try it again, Senator Stott Despoja. You got a serve last time. They all were clearly predicting that enrolments would fall. What is the very sad news for you all? What are the facts that you have to face? You just have to eat it and like it. I am sorry. University enrolments are up. That is a positive. They are moving up. There are more students, more government funded undergraduate students. Universities have overenrolled, over and above the target they were given.

I know you do not like this news. I know you would like to look at applications. You would like to talk about the people who were put off by all the scaremongering that you went into. Senator Stott Despoja, who went to a very wealthy school, now marches around saying 'Only the wealthy will be able to go to university,' when she knows that that is not right. She knows that HECS is being protect-

ed. She knows full well that anyone can go to university if they have the merit, and they can pay back later. But she went to a wealthy school, and she does not want to give those people a chance to get off the government load. I know you would like to focus on all of those things, but the facts are that enrolments are up and universities have overenrolled. The university sector is alive and well.

Senator LUNDY—Madam President, I ask a supplementary question. Senator Vanstone, you have made a galliant attempt at deflecting attention from the substance of the question. You made the point, Senator, that you were not able to accept information from Professor Gale. I put to you: have you attempted to ascertain whether Professor Gale is correct in claiming that universities, particularly those with a higher proportion of people from poorer socioeconomic backgrounds and of mature age students, have had to reduce their cut-off scores and deliberately overenrol to gain extra funding? Are you satisfied with this state of affairs, and do you accept this as a necessary consequence of your policies?

Senator VANSTONE—Senator, what I accept is that people who irresponsibly went around saying things like, 'You need $30,000 to go to university' may have, in their polemics, simply put off some students from applying. I hope they all feel guilty for having done it. I admire you, Senator, for combining 'gallant' and 'valiant' into 'galliant'—a new word; we will all remember it. I have with me an e-mail, or fax, sent to the AVCC asking for confirmation of the information relied on. It says:

> In particular, could you let us know how many universities have such data and how comprehensive it is in each case? Is it anecdotal or is it comprehensive for particular equity target groups?

We have yet to have a reply to that question. So I am very interested, Senator; I am just waiting for a reply from the AVCC. Do not forget: enrolments are up, universities have overenrolled. Things are going very well. You can relax. Universities are in good hands.

Senator Faulkner—Madam President, on a point of order: I ask whether the minister will table the document from which she was quoting.

Senator Vanstone—No.

Minister for Small Business and Consumer Affairs

Senator MURRAY—My question is addressed to the Minister representing the Minister for Small Business and Consumer Affairs. I wish to return to the issue of Minister Prosser and the conflict of interest—

Senator Robert Ray—Madam President, I have a point of order. You laid down a schedule for questions some time ago which said that questions 14, 15, 16 and 17 would be alternated between the government and the opposition. I am wondering why Senator Murray has been called.

The PRESIDENT—Question No. 18 normally goes to the Democrats. Senator Murray, would you like to start again? I have lost the thread.

Senator MURRAY—My question is addressed to the Minister representing the Minister for Small Business and Consumer Affairs. I wish to return to the issue of Minister Prosser and the conflict of interest. The issue is that the minister's attitudes have resulted in his losing the confidence of small business. The conflict of interest question will only make matters much worse for him. Did he not tell the Property Council last December that his proposed code should be consistent with the government's deregulation and competition policy agenda and that landlords should be free to exercise their property rights in all but the most exceptional cases? Did the minister not also tell the Property Council that he received frequent complaints from small businesses about retail tenancies but dismissed many of these complaints as either unfounded or at least one-sided? Is this view not in strong opposition to the fair trading report and strong cross-party support for major change? Is it not the case that the minister does have a clear agenda and a clear responsibility on retail tenancy issues, and that is that he favours the interests of big business landlords, of whom he is one?

Senator PARER—I thank Senator Murray for his question. Senator Murray, I do not

know what Minister Prosser said to the Property Council, but let me draw the attention of the Senate to the background of Minister Prosser. When I look across to the other side, I do not see one person who has had any involvement whatsoever in the business or small business sector, as compared—

Senator Murray—Madam President, I have a point of order which goes to the question of relevance. We wish to have an answer on the conflict of interest issue.

The PRESIDENT—Senator Parer, I draw your attention to the question asked. There are just over three minutes left for answering it.

Senator PARER—Madam President, I will be giving Senator Murray an answer but I noticed that Senator Bob Collins took exception to the fact that he was not recognised, and I am not sure he would like me to draw attention to his own record in the private sector, because he told me that.

Senator Forshaw—Oh, really?

Senator PARER—He will tell you too; he is an honest man. Madam President, Minister Prosser is a person who—

Opposition senators interjecting—

The PRESIDENT—Order! Senators on my left should cease interjecting.

Senator PARER—I can do without Senator Vanstone holding up Senator Carr as the epitome of small business. Minister Prosser is one of the more successful small business people. Here is a person who left school at 14, started his own business and developed in a way that would be the pride of anyone in the small business sector. He very clearly represents and understands small business.

As Senator Hill has pointed out, the House of Representatives Standing Committee on Industry, Science and Technology tabled its report on its inquiry into fair trading on 26 May. The report itself contains some wide ranging recommendations, including in the area of retail tenancy. Senator Murray will be aware, of course, that retail tenancy is a state matter and each jurisdiction has its own tenancy legislation.

I might also draw attention to the remarks made by the Prime Minister this morning in an interview when he pointed out that if someone has a farm you cannot expect them to sell that farm. Here we have a person who has built up a small business in a way that would relate to the ambitions of every small business person. It would be totally stupid to request him to divest himself of what he built up from the age of 14.

At the Commonwealth level, I might point out, it was always understood between Minister Moore and Minister Prosser that whenever there was a possible conflict of interest Minister Moore would assume portfolio responsibility in that area. As is the practice with standing committee reports that have been tabled in the House, the government will respond within three months—that is, by the end of August 1997. Minister Moore will handle this aspect of the report, including retail tenancy, where there is a possibility of conflict of interest.

Senator MURRAY—Madam President, I ask a supplementary question. Minister, you and your government are not facing up to the issue. The issue, I repeat, is that Minister Prosser has lost the confidence of small business. Given that the fair trading inquiry set up by the minister and the fair trading report have concluded that the complaints of tenants, which he thought were either unfounded or one-sided—that is what he said about tenants issues—were, in fact, justified and required urgent attention, would the Minister for Small Business and Consumer Affairs include himself among the factors which impact on small business and which they are unable to influence? Can we be assured that the minister will, in fact, act to protect the interests of small businesses on their single most pressing concerns, even if it reduces the value of his own investments?

Senator PARER—Let me make it very clear: the minister will act to support small business, as he always has. As I pointed out to you, where there is a potential conflict of interest, that matter will be handled by Minister Moore. Let me just take exception to what Senator Murray said. I am quite surprised that this came from Senator Murray

because he is following the line of his leader and also Senator Brown—would you believe?—of making a statement which is totally unfounded. The unfounded statement is that Minister Prosser has lost the confidence of small business. I ask you, Senator: who says?

Senator Murray—Madam President, on a point of order. Do you wish me to respond to that question?

The PRESIDENT—No, Senator.

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

GIFTS TO THE SENATE

The PRESIDENT—Order! I present to the Senate a proposed resolution, which will be circulated to senators, for the declaration and preservation of gifts received by senators but intended by their donors as gifts to the Senate or the parliament. There are schemes in the Senate, the House of Representatives and the ministry for the declaration of personal interests, including gifts. The Department of the House of Representatives also has an administrative scheme for MPs to declare gifts received by members but actually intended for the House. Such gifts are usually given to office holders or parliamentarians leading delegations. The Senate has no similar scheme.

Both President Sibraa and President Beahan accepted advice that gifts intended for the Senate should be declared and preserved. They considered it was for the Senate itself to decide whether to adopt a particular procedure and proceeded to consult with senators on this. Resolution of the matter awaited, firstly, the Senate's decision on the general issue of declaration of interests and, secondly, responses from party leaders and Independent senators to President Beahan's and my letters seeking their views.

President Sibraa and President Beahan endorsed the principle that gifts intended for the Senate or the parliament should be appropriately declared and preserved. I endorse that principle. I am now placing the matter before the Senate for its determination. Unless there are serious objections from senators to the resolution I am tabling, on 25 June I propose to give notice of the resolution.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Australian Broadcasting Corporation

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.14 p.m.)—I move:

> That the Senate take note of the answer given by the Minister for the Environment (Senator Hill), to a question without notice asked by Senator Faulkner today, relating to questions asked at an Environment, Recreation, Communications and the Arts Legislation Committee hearing concerning the Australian Broadcasting Corporation.

Last week at the Senate estimates committee we had the most extraordinary revelation when it became clear that the Prime Minister's own press office had been responsible for drafting questions—politically poisonous questions—about the capability of Mr Kerry O'Brien in his position as senior ABC journalist and anchor of the *7.30 Report*.

These in their original draft form were pretty ordinary. They were badly spelt. They got polished up either by Senator Alston or members of Senator Alston's staff, and then they were headed up in a document prepared for Senator Coonan. Then, of course, they were foisted on Senator Coonan, to be asked of Senator Alston at the Senate estimates committee.

Senator Coonan herself could not cope with these, so Senator Coonan foisted them on Senator Eggleston during the estimates hearing. Senator Eggleston had a good look at them and thought, 'This is a very offensive political witch-hunt,' so he decided to place the questions on notice. The questions on notice were before the committee, the committee secretary placed them before the ABC and the ABC started to answer these questions. Apparently Senator Coonan's conscience got the better of her, or she got instructions from someone in the executive wing, and she withdrew those questions. But, unfortunately for Senator Alston, but I must say fortunately for the opposition, those questions—all three sets—were leaked to the

opposition before Senator Alston was to face the estimates committee.

The guts of this story really relates to the sordid way in which Mr Howard and members of his staff, his key political apparatchiks, his principal press secretary, Mr Tony O'Leary, and his senior political adviser, Mr Grahame Morris, were involved, along with the Prime Minister's doormat, Senator Alston.

You might well ask, Madam Deputy President, what they were all playing at. I think Mr Howard and Senator Alston have really got to wake up to the fact that they are in government, not in opposition. The revelation that Mr O'Leary and Senator Alston plotted to discredit Mr Kerry O'Brien suggests that the government just have not woken up to what their responsibilities really are. There are 800,000 people out of work and business confidence is in the doldrums, but what they do is waste their precious time and resources and the community's precious resources in polishing nasty, vitriolic, vindictive political questions that bring into disrepute a senior Australian journalist and the *7.30 Report*.

It is a gross misuse of the Senate estimates process and it reveals a very high level of bile and hatred towards the ABC, something which runs strong in this government but particularly from the Prime Minister, Mr Howard, and Senator Alston. There is no doubt that the Prime Minister's right hand men, particularly Mr Tony O'Leary, have played a very vindictive role in this regard.

We have had in recent times a report in the *Sydney Morning Herald* that a ministerial level briefing attempted to bring the head of the Human Rights and Equal Opportunity Commission, Sir Ronald Wilson, into disrepute over the stolen children report—another effort of the government. That would not have been carried out without the approval of the Prime Minister's press office. We also had reports about high level attempts to discredit Mr Mick Dodson. I am pleased to say that we have a situation now where very few journalists are taking much account of what Mr O'Leary says. Very few are accepting Mr O'Leary's word; he is not now a very credible spin doctor at all for the government. There is one journalist who still seems to be able to mouth the briefings from Mr O'Leary and regurgitate the nonsense, but time has caught up with Mr O'Leary, Mr Howard's operation and Senator Alston's operation. It has been proved they have nothing better to do than plot against their political enemies in the ABC. *(Time expired)*

Senator ROBERT RAY (Victoria) (3.20 p.m.)—Senator Hill, in an anguished wail today, asked what would be wrong with the Prime Minister's office preparing questions for an estimates committee. Apart from its Nixonian overtones, the fact that they get prepared in the PM's office and then directed at the deputy leader in the Senate for him to give answers to assassinate a particular journalist—leaving that aside—the real problem here is that Mr O'Leary has said he has nothing to do with the preparation of these questions, in spite of evidence to the contrary. So what we have is the Prime Minister's most senior interface with the media claiming to have had nothing to do with these questions. If he did, the Prime Minister has a liar representing him to the fourth estate, to the media. That is the question. As is often the case, it is the cover-up in this circumstance rather than the original sin.

If ever we have seen an issue in which dissembling has been elevated to an art form, it is this one. We have got all the stories in the world. Senator Coonan first of all said she prepared the questions entirely herself, but later on she said there is nothing wrong with talking to someone else about it. Of course there isn't. Mr O'Leary said he had never talked to Senator Coonan about it. No-one ever alleged that. We all know that the interlinking of this was done in Senator Alston's office. So we have all these dissembling statements trying to lead people off. We have Senator Alston, when first confronted with this, saying he knew nothing about it. I tend to believe him. But he does not say he will investigate it until he is put under real pressure, and then we get the most desultory response, when the facts are not properly checked out.

No doubt what we will get is the usual Senator Alston response: 'It is not my fault; it is my staff's fault.' That is the standing

operating procedure by Senator Alston. He gets the Telstra figures with regard to Tasmania wrong: it is the staff's fault. He misses a division: it is the staff's fault. With any mistake Senator Alston makes, it becomes 'incompetent staff'.

When that particular defence evaporates, Senator Alston will go to the poor memory trick. Senator Alston cannot remember signing off the ABC cabinet submission; he cannot even recall whether he signed it off. He cannot recall whether he discussed Norfolk Island with Senator Colston. He cannot recall the reasons for visiting Senator Colston's office. This is a senior minister wandering down to an obscure backbencher's office, and he cannot remember why he went. He can remember meeting Mrs Christine Smith but cannot remember the discussion. He cannot remember whether Senator Colston visited his office on 3 March. He has no memory of this.

Senator Calvert interjecting—

Senator ROBERT RAY—Senator Calvert, one of the most nauseating things about the media at the moment—and you probably would have seen it—is these five-minute long ads for firms that help re-establish someone's memory. They drive you mad. Maybe Senator Alston should enrol in one of those courses, because it is obvious he has got no control over his office. He does not even know that his staff are conspiring with the Prime Minister's office to denigrate the reputation of a journalist. And they think so little of him, apparently, that, having run this Nixonian exercise in his office, they do not tell him about it. So poor old Senator Alston has to sit at the table—if this scheme comes off—looking like a dumb bunny, while he is asked questions that have been prepared in his own office to ambush him. They do not even bother to tell poor old Senator Alston that they are up to these tricks and if they did tell Senator Alston that they are up these tricks, then Senator Alston's credibility will disappear, because he has denied all knowledge of it.

What we have here is just a reflection, an insight into this government. I said earlier by way of interjection during question time that what we are seeing is a very petty and vindictive government, where appointments get argued for hours at cabinet and people get blackballed, where mates get rewarded like ex-Senator Messner going off to Norfolk Island. All the mates are rewarded; everyone else—very Nixonian. If you are not with us, you are the enemy. Next they will be into people's tax records if we are not careful. But where it becomes very serious is that Mr O'Leary has been going around the gallery for months—the great Liberal spin doctor; the peddler of lies. He puts the worst possible spin on every story. He has no credibility in the gallery any more. He is regarded as a media—

Senator Campbell—On a point of order, I do not think Senator Ray, even under his own system of morals or principles, would regard calling someone who cannot come into this place and defend themselves—

Senator Bob Collins—That's not a point of order.

Senator Campbell—A peddler of lies—is that or is that not unparliamentary language? If it is not—could you please ask him to withdraw it.

Senator Faulkner—On the point of order, I put it to you, Madam Deputy President, that Mr O'Leary is a senior member of the Prime Minister's staff. He is not a member of the Senate or of this parliament or, for that matter, any other parliament—thank God—but he is the person who has defamed Sir Roland Wilson, defamed Mick Dodson and defamed many other people in the gallery. He is a peddler of lies and it is in order.

Senator ROBERT RAY—On the point of order, it was Mr O'Leary who went into the gallery and claimed that I had claimed travel allowance on election night when I was at home in Melbourne, and it was your side, Senator Campbell, that had to go and discipline him and stop him lying to the gallery. That is my point of order.

The DEPUTY PRESIDENT—Order! There is no point of order as the person is not a member of either house.

Senator Campbell interjecting—

Senator Faulkner interjecting—

The DEPUTY PRESIDENT—Order! Senator Faulkner and Senator Campbell! Senator Ray, do you wish to continue?

Senator ROBERT RAY—He is known in the gallery as a spin witchdoctor and the gallery—

Senator Campbell—Are you going to make a ruling?

The DEPUTY PRESIDENT—Senator Campbell, I have made a ruling. There is no point of order. Mr O'Leary is not a member of either house. Therefore—

Senator Campbell—It has nothing to do with it. Is it parliamentary language to call someone a liar? Every time I have called this bloke a liar—and I know he is a liar—you say that it is unparliamentary. Every time I have called him a liar—and I now call him a liar—that is unparliamentary. If you call someone else a liar, is that not unparliamentary, or are you biased?

The DEPUTY PRESIDENT—Senator Campbell, would you please resume your seat and understand the difference between a member of this place and the other place and other people. We are not talking about a member of parliament, either of this chamber or the other chamber. He has redress if he is offended by what has been said, through the use of standing orders, and you are aware of that. Under the privileges of this parliament, he has that right.

Senator Faulkner—Dumbo!

Senator Campbell—Are you now ruling that using the word 'liar' is parliamentary?

The DEPUTY PRESIDENT—Senator Campbell, I have not ruled that way.

Senator Campbell—I am now raising a new point of order. I ask you to rule the use of the word 'liar' by Senator Ray as unparliamentary.

Senator Bob Collins interjecting—

The DEPUTY PRESIDENT—On the point of order, it is not unparliamentary unless it is used against somebody who is protected by standing order 193. Senator Campbell, Senator Faulkner and Senator Collins, please calm down.

Senator Patterson—I would refrain from being involved, but I do think the words 'dumbo' and 'liar' both ought to be withdrawn.

The DEPUTY PRESIDENT—Would both senators withdraw both those words.

Senator Bob Collins—Dumbo is a lovable creature with big ears—Dumbo the flying elephant.

The DEPUTY PRESIDENT—Senator Collins, you are not helping. Senator Campbell, as Senator Patterson finds it offensive, would you withdraw?

Senator Campbell—I am not sure—

Senator Faulkner—I don't care. Let's get on with it.

Senator Campbell—'Liar' is now parliamentary language.

The DEPUTY PRESIDENT—Senator Campbell, would you please withdraw the word 'liar'. Senator Collins or Senator Faulkner—whoever used the word 'dumbo'—would you also withdraw it.

Senator Faulkner—I withdraw.

The DEPUTY PRESIDENT—Thank you. Senator Campbell?

Senator Campbell—I would like to replace it with the words 'unprincipled'—

The DEPUTY PRESIDENT—Senator Campbell—

Senator Campbell—I did not call anyone a liar, so I won't withdraw it.

Senator Bob Collins—Sit down! You are making a fool of yourself.

Senator Hill interjecting—

The DEPUTY PRESIDENT—I know, Senator Hill. Senator Campbell, it was someone from your side who asked for you to withdraw the word—

Senator Campbell—I think she made a mistake. If I had called anyone a liar, I would withdraw it, but I have not.

The DEPUTY PRESIDENT—It was interpreted that way, Senator Campbell, so will you please withdraw.

Senator Campbell—I withdraw.

The DEPUTY PRESIDENT—Thank you. Senator Ray, you have five seconds.

Senator ROBERT RAY—I was just saying that, if Mr O'Leary takes the opportunity to go up into the gallery and character assassinate me, he will get exactly the same—and he has done it. *(Time expired)*

Senator SCHACHT (South Australia) (3.30 p.m.)—I rise to speak to this motion to take note of the very inadequate answer given by the Leader of the Government in the Senate (Senator Hill) regarding this extraordinary episode whereby the Prime Minister's office—if not the Prime Minister (Mr Howard)—and either the Minister for Communications and the Arts and Deputy Leader of the Government in the Senate (Senator Alston) or his office were involved in trying to get Senator Coonan and/or Senator Eggleston to put certain questions to the estimates in a way to damage the political independence of the ABC.

Senator Kernot—Where are they?

Senator SCHACHT—They have fled from the chamber. They do not want to take the opportunity for even five minutes of defence. Anybody who listened to the estimates committee hearings last Wednesday and Thursday would have seen that they had no defence at all. Senator Alston said that these are questions anybody could ask; it is free speech. The people involved in his office and his former press secretary, Mr Manicaros, were obviously involved in drafting these questions in association with Mr O'Leary or Mr Morris from the Prime Minister's office.

It was put to Senator Alston that he is in fact the minister with a statutory responsibility for the legislation for the ABC. I draw his attention to the fact that section 6, paragraph (2)(a)(iii) of the legislation carried by this parliament—and for which the government voted when they were in opposition—states:

> . . . the responsibility of the Corporation as the provider of an independent national broadcasting and television service to provide a balance between broadcasting programs and television programs of wide appeal and specialized broadcasting programs and television programs;. . .

That is in the charter. That is what he has to uphold. Further on it refers to duties of the board under section 8(1)(b):

> . . . to maintain the independence and integrity of the Corporation.

This minister and his staff were up to their elbows in preparing political hand grenades to use at the estimates committee to attack the political standing of the ABC. That is what is really improper. It is bad enough that the Prime Minister and his staff would waste their time trying to draft these questions in three different forms to get it in a way that had the most impact. The real issue is where a minister, who has a statutory obligation to defend the integrity and independence of the ABC under legislation of this parliament, is involved in a guerrilla war campaign of preparing deliberate political hand grenades to throw at the ABC.

That is something that the minister could not answer at the estimates given half a dozen opportunities last Wednesday and Thursday by myself and other senators. He would not answer and could not answer. When we gave him the opportunity to go and check with his staff about who was involved, he said, 'I know nothing about this. I know nothing and have heard nothing about it.' We accepted his word. We still accept his word that he knew nothing about it, even though it makes him look like a dope that the rest of his staff were out there trying to organise this, even though he is the minister responsible for the ABC.

When we asked him, 'Will you check with all your existing and former staff if they were involved?' All he would say is, 'I will talk to my relevant staff.' He would not go back to check with Mr Manicaros, his press secretary at the time of the estimates committee hearing on 27 February or with Mr Duffield, his chief of staff who was there at the time. He will not talk to them, because he knows what the answer will be. Therefore, he says, 'I am in the clear. I am not misleading the Senate, because I will not ask the people who know that I know that I should not ask them.' That is how stupid this man is and he expects us to believe it. He said finally on Thursday of last week, 'I think all of my inquiries have finished on this matter. It is now finished.'

It ain't finished. We are going to make sure it is not finished, because we are in the business of protecting the political independence and integrity of ABC, as this minister is required to under the law of the land that this parliament has carried. He has failed because he is party to the political hand grenades thrown at the ABC and it proves again that this minister is conducting a political vendetta against the ABC.

Senator BOURNE (New South Wales) (3.34 p.m.)—I would like to join in taking note of the answer given to the question about Mr O'Leary's involvement in any questions to estimates about Mr Kerry O'Brien, his salary and other things about him. I find that there are three really quite extraordinary points that I found in the answer and in this whole really quite extraordinary saga.

The first is that the minister who answered does not seem to think that Mr O'Leary had anything to do with those questions. The Prime Minister did not say that. The Prime Minister did not deny that, but this minister seems to think that he really did not have anything to do with it. The second point is that he went on to say, 'Well, if he did have anything to do with it, there is nothing wrong with that.' He sees nothing wrong with the Prime Minister's press secretary writing questions about an ABC journalist.

We have the Prime Minister's press secretary here and a journalist over here. This journalist, who happens to be the Prime Minister's press secretary, has the extraordinary right—which the government has conferred upon him obviously, because they see no problem with it—to write questions about the salary of this journalist over here. Why does he have the right to do that? Why does the government confer upon him that right? Those questions were all so obviously designed to damage that journalist. He has, by the admission of this minister, the right conferred upon him by this government to ask damaging questions which must be answered according to this government—because they have gone through estimates—about another journalist.

That is just extraordinary. Why would he have that right? Who would be next? Who is the next person who is paid with funding from appropriations No. 1 that will have these questions asked about them? Who is the next person in a parliamentary department or in the ABA, ASIO or ASIS, and there are lots of really interesting organisations in there where people are paid with funding from appropriation No. 1? Who is the next one we are going to ask questions about their salary and everything about them?

Questions about Mr O'Brien's salary and anything else to do with his employment are questions for the board and the management of the ABC. They have absolutely nothing to do with the estimates committee. That detail is an outrageous breach of Mr O'Brien's privacy and that this government would even consider that that is a reasonable way to use time in estimates is something I find absolutely extraordinary.

The third thing—and this is the most important—is that this government would go to these extraordinary lengths to pursue their vendetta against the ABC. It has to be a vendetta. It is something that is just absolutely amazing to watch and it has been amazing to watch from day one the way the ABC has been targeted by this government.

The targeting by this government has been absolutely relentless, it has been vicious, it has been ruthless, and it continues to be so. The lengths to which the government goes are amazing. That has been shown by these questions in estimates. I would have to agree with the editorial of the *Australian*. It said words, which I cannot remember properly, to the effect that it believed that it demeans the government—and that is a very good word to use; it does—that the government should want to pursue its ABC vendetta to these lengths. I think it demeans the government too.

I wish to goodness the government would just get out of the mind-set it has that the ABC is evil, that Mr O'Brien in particular is against it and, if the government thinks he is against it, that it has to do something to demolish him as well as the ABC—an extraordinary thought. The idea that it is okay for that to happen, that there is no problem with the Prime Minister's press secretary asking questions which are deliberately destructive of

another journalist, I find absolutely extraordinary.

Senator BOB COLLINS (Northern Territory) (3.38 p.m.)—I, too, was astonished at Senator Hill's response in here this afternoon. I can only assume from it that Senator Hill had not actually taken the trouble—I am not suggesting he should have, necessarily—to read the copies of the documents that I tabled in Senate estimates and upon which I based the questions that I then asked Senator Alston. I just want to advise Senator Hill, through you, Madam Deputy President, that I know the source of these documents which were given to me. The source was a government source. I would not have taken the documents into the Senate estimates if I had not from the source known the credibility that was attached to these documents. I do not have the slightest hesitation in saying that the person who gave these to me knew what he was talking about.

When you read the documents, you can see precisely why this was a particularly nasty exercise indeed. Obviously other senators have had experience of Mr O'Leary, but I personally have not. I make no bones in saying it. I have no axe to grind with Mr O'Leary on a personal level. Senator Kernot interjected just a few moments ago that Mr O'Leary was 'an inveterate and vicious liar'. So obviously the Democrats have formed a view about Mr O'Leary that is similar to a view that some of our people have determined.

All I know from my very long experience with Senator Kernot is that there is nothing in any way offensive against standing orders, if Mr O'Leary objects to such terms being applied to him, if he seeks redress in the Senate by making an application to the Privileges Committee to respond. Obviously there are people with hard views about Mr O'Leary, but let us have a look.

Senator Campbell—The new standards of the New South Wales Right.

Senator BOB COLLINS—Of which I am not a member, I must say. But this first document, complete with many typographical errors, is the document that I was informed did come straight from the Prime Minister's office. It is not so much a set of questions as a set of drafting instructions for questions. That is precisely what this is, and a very nasty set of drafting instructions they are, Senator Hill. It smacks of the old Nixonian black list.

People will remember that this President of the United States, then at the height of his power as a newly elected President, had a black list of nominated people and journalists whom he was going to get by using his position as President of the United States. We now have, 14 months into a new government in Australia, the Prime Minister's office, with unemployment and all the rest of it going on at the moment, concentrating on getting a particular journalist at the ABC because they don't like him. And this list wasn't just questions, Senator Hill. It also contained drafting instructions. I will quote from it:

I would not name O'Ryan—

it is spelt 'O'Ryan'; it is full of typos:

I would couch it in terms of the 7.30 Report presenter's position.

There is a very familiar ring about all of this stuff to me. Senator Hill is nodding his head. This is the kind of thing that professional journalists sit down and put together. I have seen a few of these—I might add, complete with typographical errors—from my own staff—

Senator Campbell—He's been around, this bloke.

Senator BOB COLLINS—Yes, I have been around for 20 years, Senator, and you do learn a bit in 20 years, even though you do not seem to have learnt much about standing orders in the time that you have been here.

The DEPUTY PRESIDENT—Senator Collins, address your remarks through the chair.

Senator BOB COLLINS—To continue:

Is the 7.30 Report presenter's status more important—

again misspelt—

than the status of the ABC?

This single page is a set of drafting instructions from the Prime Minister's office, the Prime Minister of Australia, that came from a meeting at which I was informed by the

person who gave me these documents that Mr O'Leary was personally involved. They had a little brainstorming session about how they could use, or I might say abuse, the Senate estimates process to get Kerry O'Brien and to make him look bad. I do not think that Kerry O'Brien or *The 7.30 Report* or Mr Johns or anyone in the ABC would have had any difficulty in countering Mr O'Leary's little campaign with honest answers to the real questions.

But don't get carried away that this was a proper exercise and there is nothing wrong with it. Have a look, if you like, Senator Hill, at the original piece of paper that came from Mr O'Leary's pen, that came from the little brains trust meeting chaired by him in the Prime Minister's office. It is a very sleazy exercise indeed. These were drafting instructions given to questions later prepared and polished up in Senator Alston's office and then gone over again in the set of questions that were then given to an estimates committee and then finally withdrawn. It is not an exercise that the Prime Minister can take any pride in. I have to say that it was with some dismay that I heard Senator Hill defending it in the Senate.

Question resolved in the affirmative.

Technical and Further Education

Senator CARR (Victoria) (3.38 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone), to a question without notice asked by Senator Carr today, relating to a proposed fee for technical and further education.

I ask the minister: was it a fact that this government had given consideration to the introduction of such a scheme and that at the ministerial council meeting on 23 May a paper was introduced by the minister Dr Kemp and sponsored by Dr Kemp, an Australian National Training Authority paper, which was entitled: *The national strategy for VET*—vocational education and training—which did advocate support for a deferred payment mechanism for TAFE and that the causes relating to the introduction of a HECS scheme were only withdrawn after the objections were raised by the state ministers?

I asked a series of questions at the estimates committee. I refer to page 87 of the *Hansard*. In a direct question, I asked whether it was the case that the government had been considering the introduction of a HECS-type scheme. I was advised by the senior executive officer:

It has not been considered by ANTA and as far as I am aware, it has not been considered by ministers.

Those were the direct remarks of the chief executive officer, Mr Moran. Then I asked a question of the minister:

Minister, is that the case?

At best, one could say that it was an ambivalent and ambiguous answer given. The minister referred to the KPMG consulting report, which highlights the underfunding of the vocational education scheme in this country by this government, which points out the need, according to the consultants, for the government to find additional moneys and canvasses the prospect of the introduction of a deferred payment scheme for TAFE. The minister indicates, by referring to the report, that she believes that the matter had not been undertaken. She in fact said:

. . . I certainly have not asked for anything to be prepared on it to assist my mind on it, and I can assure you that Dr Kemp has not either. Whether there is someone out there who aspires to having either or both of our jobs cooking up a scheme to have this raised, I cannot tell you, but I can tell you that I have not asked for it to be considered . . .

The minister today was asked a direct question: has this government considered the introduction of a HECS scheme for TAFE? She responded by saying it is 'not currently considering'. That of course is, at best, a sleazy way around the question, and, at worst, I say, it is in fact part of what appears to be now a pattern of misleading this parliament as to what the actions of this government are and of course what the actions of her public servants are, acting presumably on her behalf.

I draw the minister's attention to the Prime Minister's statement 'A guide on key elements of ministerial responsibility', in which

it is stated quite explicitly that the minister has a responsibility to ensure, first of all:

> . . . the overall administration of their portfolios, both in terms of policy and management; and secondly for carriage in the Parliament of their accountability obligations to that institution.

The minister has a direct responsibility to the parliament to ensure that answers given to questions in parliament and at its various committees are honest and are frank. That obligation has not been met. We are seeing a circumstance here where officers of the minister's department, statutory authorities, have quite clearly misled the Senate, and the answers to those questions have not been corrected, despite the fact that they are quite specific questions put to the minister. Furthermore, the minister herself, together with her junior minister, Dr Kemp, are misleading the Australian people when they suggest that they have not been considering, in the past, actions for the introduction of a HECS-style scheme for TAFE.

Of course the whistle has been blown in Victoria by none other than Mr Honeywood, a coalition minister, who explained that a paper was not only introduced by Dr Kemp, but also sponsored by Dr Kemp. An Australian National Training Authority paper was introduced at the last ministerial council meeting on 23 May, which advocated the introduction of a proposal for the introduction of a HECS-type scheme, a deferred payment scheme.

This government is not telling the truth. It is a pattern that is being repeated. A pattern now emerges where there is, quite clearly, a pattern of deceit being followed by this government to try to cover up its actions, undertaken in the various departments of this government, particularly within the department of employment, education and training. I would call upon the minister to correct the record and honour her obligations. *(Time expired)*

Question resolved in the affirmative.

PETITIONS

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

East Timor

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

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

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

1. actively support all United Nations resolutions and initiatives on East Timor;

2. actively support the right to self-determination of the people of East Timor;

3. work for the immediate release of all Timorese political prisoners;

4. repeal the Timor Gap Treaty; and

5. stop all military cooperation and commercial military activity with Indonesia.

by **Senator Bourne** (from 13 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 Bourne** (from five citizens).

Higher Education Contribution Scheme

To the Honourable the President and Members of the Senate in Parliament assembled: The humble petition of the undersigned citizens of Australia respectfully showeth:

That we are opposed to any moves to cut funding to universities. We believe that funding cuts to universities can only be to the detriment of an educated and democratic society. We believe that a broadly accessible and liberating higher education system is fundamental to efforts at creating a more just and equitable society.

In particular we are opposed to any attempts to:

introduce up front fees for any students, including any attempt to allow universities to charge up front fees to students enrolled in excess of Commonwealth funded quotas;

increase the level of debt incurred by students through the Higher Education Contribution Scheme (HECS);

lower the level at which HECS debts must be repaid through the taxation system;

replace the grant based component of the AUSTUDY/ABSTUDY scheme with a loans scheme;

expand the loans component of AUSTUDY/ABSTUDY;

cut funding on a per student basis, in particular operating grants; and

cut the number of Commonwealth funded places already in the system or promised during the previous Parliament.

Your petitioners therefore humbly pray that you will not cut funding to universities or increase the financial burden on current or future students by raising fees or reducing access to financial assistance. We call on the Parliament to at least maintain current funding to higher education with a view to increase funding per student and the number of student places available in the remainder of the thirty-eighth parliament.

And your petitioners, as in duty bound, will ever pray.

by **Senator Stott Despoja** (from 197 citizens).

Australian Broadcasting Corporation

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

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

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

by **Senator Bourne** (from 132 citizens).

Holsworthy Airport

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

The Petitioners respectfully draw the attention of the Senate to the Fact that the quality of life of the citizens of the Sutherland Shire will be severely and adversely affected by the construction of an airport at Holsworthy. The petitioners therefore call on the Senate to urge the Prime Minister and Government to prevent the construction of any airport at Holsworthy.

by **Senator Forshaw** (from 11,790 citizens).

Holsworthy Airport

To the Honourable Members of the Senate and the House of Representatives assembled in Parliament:

The petition of certain citizens of Australia draws to the attention of the House the proposal to use the Holsworthy military range as a possible site for the construction of Sydney's 24 hour second international airport.

We believe that the site is unsuitable due to:

its proximity to large and rapidly growing residential areas;

the great stress and concern it is causing the many residents living in surrounding suburbs;

the presence of unexploded ammunition on the site and the great cost of removing them;

the expense and inconvenience involved to provide landfill to make the site suitable for development and the resultant destruction of landform and pristine natural environment in the process;

the existent noise pollution in the area already suffered by residents which would increase;

the presence of rare and endangered species of flora and fauna, and significant examples of Aboriginal and early European cultural heritage that would be threatened or destroyed to accommodate the airport;

the area's importance in maintaining high quality air and water supplies for South Western Sydney;

the danger to air quality of all residents of the Sydney basin if an airport is situated so close to the city;

the danger of damaging or destroying any aspect of the ecological balance of the National Parks surrounding the site or under the flight paths

the danger posed by bushfires, or the clearing and destruction of valuable bushland to prevent them.

Your petitioners therefore request that you oppose the consideration and construction of an airport in Holsworthy by immediately withdrawing the proposal and ensuring that the land in question be given over as national heritage (national park) immediately the defence force withdraw from the area.

by **Senator Forshaw** (from 670 citizens).

Repatriation Benefits

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

The petition of certain citizens of Australia, draws to the attention of the Senate the fact that members of the Royal Australian Navy who served

in Malaya between 1955 and 1960 are the only Australians to be deliberately excluded from eligibility for repatriation benefits in the Veterans' Entitlements Act 1986 (the Act) for honourable 'active service'. Australian Archives records show that the only reason for the exclusion was to save money. Members of the Australian Army and Air Force serving in Malaya were not excluded, and the costs associated with the land forces was one of the main reasons for the exclusion of the Navy. An injustice was done which later events have compounded.

There are two forms of benefits for ex-servicemen, Disability Pensions for war caused disabilities (denied the sailors referred to but introduced in 1972 for 'Defence Service' within Australia) and Service Pensions. Allied veterans of 55 nations involved in conflicts with Australian forces until the end of the Vietnam War can have qualifying eligibility for Service Pensions under the Act. Service by 5 countries in Vietnam was recognised after RAN service in Malaya was excluded. The Department of Veterans' Affairs confirms that 686 ex-members of the South Vietnamese Armed Forces are in receipt of Australian Service Pensions; 571 on married rate and 115 on single rate. In effect, 1,257 Service Pensions, denied to ex-members of the RAN, are being paid for serving alongside Australians in Vietnam.

It is claimed that:

(a) Naval personnel were engaged on operational duties that applied to all other Australian service personnel serving overseas on 'active service'. They bombarded enemy positions in Malaya and secretly intercepted enemy communications;

(b) Naval personnel were subject to similar dangers as all other Australian service personnel serving in Malaya and there were RAN casualties, none of which appear on the Roll of Honour at the Australian War Memorial;

(c) the Royal Australian Navy was 'allotted' for operational service from 1st July 1955 and this is documented in Navy Office Minute No. 011448 of 11 November 1955, signed by the Secretary to the Department of the Navy. The RAN was then apparently 'unallotted' secretly to enable the excluding legislation to be introduced;

(d) the Department of Veterans' Affairs has said it can find no written reason(s) for the RAN exclusion in the Act. In two independent Federal Court cases (Davis WA G130 of 1989 and Doessel Qld G62 of 1990) the courts found the two ex-members of the RAN had been 'allotted'. Davis had served in Malaya in 1956 and 57. As a result of these cases ex-members of the RAN who served in Malaya and who had, at that time, claims before the Department of Veterans' Affairs for benefits, had their claims accepted. Eight weeks after the Doessel decision the Act was amended to require allotment to have been by written instrument. In parliament, it was claimed the amendment was necessary to restore the intended purpose of the exclusion, reasons for which can not, allegedly, be found.

(e) Naval personnel were not, as claimed, bound by the 'Special Overseas Service' requirements, introduced in the Repatriation (Special Overseas Service) Act 1962. This Act became law some two years after the war in Malaya ended;

(f) as Australian citizens serving with the Royal Australian Navy they complied with three of the four requirements for 'active service'. The fourth, for 'military occupation of a foreign country' did not apply to Malaya.

Your petitioners therefore request the Senate to remove the discriminatory exclusion in the Act thereby restoring justice and recognition of honourable 'active service' with the Royal Australian Navy in direct support of British and Malayan forces during the Malayan Emergency between 1955 and 1960.

by **Senator McGauran** (from 97 citizens), and

Senator Newman (from five citizens).

Scholarships: Taxation

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

The Petition of the undersigned demand the Australian Government recognise that taxing scholarships will:

(a) jeopardise links between universities and industry;

(b) increase the costs of scholarships resulting in few scholarships or scholarships of less value; and

(c) represents another attack on the education sector; and

calls on the Government to amend Income Assessment Act 1936 to make clear scholarships are not taxable.

by **Senator Stott Despoja** (from 247 citizens).

Women's Rights

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

The Petition of the undersigned shows:

The International Womens Day Collective's concerns regarding womens' rights.

Your Petitioners request that the Senate should:

disallow the proposed introduction of fees for entry to aged nursing homes.

stop funding cuts to essential services for women such as: child care, womens' health services, womens' refuges, womens' migrant services and disability services, employment, education and training.

develop policies and introduce awareness programs to deal with ever increasing domestic violence and all forms of discrimination against women.

by **Senator Bishop** (from 39 citizens).

Legal Aid

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

The Petition of the citizens of Australia brings to the attention of the Senate the Federal Government's plan to make major cuts to Legal Aid funds.

The Federal Government plans to cut $40 million annually from Legal Aid funding.

Last year, 250,000 people were assisted nationally. However, if these cuts go ahead, many Australians will be denied access to a wide range of services, and only the well-off will be able to access the justice system.

The undersigned petitioners therefore ask the Senate to call on the Federal Government to protect every Australian's right to equal access to the justice system by continuing to fund Legal Aid at its pre-election level.

by **Senator Eggleston** (from 741 citizens).

Petitions received.

NOTICES OF MOTION

Introduction of Legislation

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer)—I give notice that, on the next day of sitting, I shall move:

That the following bill be introduced: A Bill for an Act to amend the Aboriginal and Torres Strait Islander Commission Act 1989 in relation to the TSRA budget, and for related purposes. ***Aboriginal and Torres Strait Islander Commission Amendment (TSRA) Bill 1997***.

Foreign Affairs, Defence and Trade Legislation Committee

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

That the Foreign Affairs, Defence and Trade Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 17 June 1997, from 7.30 pm, to take evidence on the estimates of the Department of Defence.

Consideration of Legislation

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer)—I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

Aged Care (Compensation Amendments) Bill 1997

Aged Care (Consequential Provisions) Bill 1997.

I table statements of reasons justifying the need for these bills to be considered during these sittings and seek leave to have the statements incorporated in *Hansard*.

Leave granted.

The statements read as follows—

AGED CARE (CONSEQUENTIAL PROVISIONS) BILL

The Bill provides for transitional provisions in moving to the structural reform of residential aged care as provided for under the Aged Care Bill 1997 and makes consequential amendments to a range of legislation.

The transitional provisions cover matters relating to nursing homes, hostels and care packages such as:

treatment of approvals under the National Health Act 1953 and the Aged or Disabled Persons Care Act 1954 as approvals under the Aged Care Bill 1997;

current classifications of residents made under these Acts which determine the level of subsidy remain in force;

grandparenting provisions so that current providers do not have to become incorporated to receive subsidy for the services they currently operate;

grandparenting current agreements in place between hostel providers and hostel residents covering entry contributions and variable fees.

The consequential amendments will stop the payment of Residential Care Allowance, now that this is to be paid through increased subsidy to providers of residential care as part of the Aged Care Bill 1997. Other amendments are also required as a result of the structural reform arrangements and the removal of distinctions between nursing homes and hostels.

The legislation to be amended by this Bill is:

Aboriginal and Torres Strait Islander Commission Act 1989

Aged Care Income Testing Act 1997 (currently in Bill form)

Aged or Disabled Persons Care Act 1954

Health and Other Services (Compensation) Act 1995

Health and Other Services (Compensation) Care Charges Act 1995

Home and Community Care Act 1985

Income Tax Assessment Act 1936

National Health Act 1953

Social Security Act 1991

Tax Law Improvement Bill 1996

Veterans' Entitlements Act 1986

Without this Bill, the Aged Care Bill 1997, introduced in the Autumn sittings of Parliament for passage in the Winter sittings, will be unable to operate effectively. Both Bills will therefore need to be considered together in the Winter sittings with enactment at this time if the structural reform arrangements are to be put in place from the start of a financial year. Without passage the current complex and cumbersome arrangements would need to continue in the interim.

Circulated with the authority of the Minister for Family Services

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AGED CARE (COMPENSATION AMENDMENTS) BILL 1997

The Bill is necessary to enable the Commonwealth to recover moneys from compensation rulings which include the cost of care in the new unified residential care system.

The amendments must commence at the same time as the Aged Care Act 1997 to ensure that costs of care can be recovered from the date the new Act comes into force.

Circulated with the authority of the Minister for Family Services

High Court of Australia: Immigration

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

That the Senate—

(a) notes the decision of the High Court of Australia, on 13 June 1997, in the matter of Mr Guo Wei Rong and Mrs Pan Run Juan and the Minister for Immigration and Multicultural Affairs (Mr Ruddock);

(b) calls on Mr Guo Wei Rong and Mrs Pan Run Juan to accept the decision made by the highest court in Australia that they have no right to remain in Australia;

(c) suggests that Mr Guo Wei Rong and Mr Pan Run Juan make plans to immediately leave Australia; and

(d) in the event that Mr Guo Wei Rong and Mrs Pan Run Juan fail to give an immediate assurance of their intention to depart Australia, calls on the Minister to set in motion those lawful procedures available him to effect their removal from Australia.

Legal and Constitutional Legislation Committee

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

That the time for the presentation of the report of the Legal and Constitutional Legislation Committee on the provisions of the Human Rights Legislation Amendment Bill 1996 be extended to 19 June 1997.

East Gippsland Forests

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

That the Senate—

(a) notes that:

(i) the Goolengook forests of East Gippsland, Victoria, are considered by the scientists who evaluated them to have 'immense' biological values, Dr Ian Lunt, Dr Doug Robinson and Bertram Lobert, in the *Age* of 9 June 1997, stating that these values include 'endangered plants, birds, mammals, a unique rainforest community, all within a closed and largely undisturbed catchment',

(ii) the Goolengook forests have national estate values which will be annihilated by logging, but that neither the Victorian nor the Commonwealth Government sought the advice of the Heritage Commission in relation to proposed actions 'which might adversely affect national estate values in East Gippsland', as required by section 16 of attachment 2 of the East Gippsland Regional Forest Agreement, and

(iii) the Howard-Kennett East Gippsland Regional Forest Agreement completely fails to ensure the 'world class protection of wilderness, old-growth and biodiversity' claimed by its signatories in their Joint Statement of 3 February 1997;

(b) applauds the actions of those brave and committed citizens who have been protesting against the logging of these precious forests for 5 months so far; and

Senator Ferguson—This is silly.

Senator BROWN—You can exclude me from that, if you wish. The motion continues:

(c) calls on the Prime Minister (Mr Howard) to act immediately to stop the logging of Goolengook and to ensure 'world class protection' for all other high conversation value forests in East Gippsland and Australia.

Senator Ferguson—Wonderful citizens!

Senator BROWN—Senator, they are citizens, just like you and me.

Senator Ferguson—Ha, ha.

Finance and Public Administration Legislation Committee

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

That the Finance and Public Administration Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 17 June 1997, from 8 pm, to take evidence on the estimates of the Department of Prime Minister and Cabinet

Human Rights

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

That the Senate notes that:

(a) for the second time this decade, Australia has been found to be in breach of its international human rights obligations;

(b) on 3 April 1997, following a petition under the First Optional Protocol to the International Covenant on Civil and Political Rights from a Cambodian man held in detention for 4 years whilst seeking refugee status in Australia, the Human Rights Committee in Geneva found Australia to be in breach of the Covenant on three grounds, namely:

(i) due to the fact that Australia had not submitted appropriate justification for such a lengthy detention, the detention was arbitrary and in breach of Article 9, paragraph 1, which provides that 'no-one shall be subjected to arbitrary arrest or detention',

(ii) as 1992 immigration legislation severely curtailed the right of judicial review of the applicant's detention, Australia was in breach of Article 9, paragraph 4, which provides that 'anyone who is deprived of his liberty by arrest or detention shall be entitled to take proceedings before a court, in order that the court may decide … on the lawfulness of his detention', and

(iii) the committee took the view that, given this conclusion, Australia was consequently in breach of Article 2, paragraph 3, which requires a State Party in breach of the Covenant to provide an effective remedy;

(c) Australia received notification of the committee's views on 9 May 1997 and is required to inform the committee within 90 days, that is, by 7 August 1997, of the measures taken to remedy the violations identified;

(d) the legislation under which the Cambodian refugee was imprisoned was enacted by the former Australian Labor Party Government; and

(e) to date, the Howard Government has not responded to a finding that Australia is in breach of international human rights obligations.

Finance and Public Administration Legislation Committee

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

That the Finance and Public Administration Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 20 June 1997, from 9 am, to take evidence for the committee's inquiry into the format of portfolio budget statements.

For the information of the Senate, these arrangements were made before the Senate decided to sit on Friday, 20 June 1997.

Austudy Regulations

Senator CARR (Victoria)—I give notice that, on Thursday, 19 June 1997, I shall move:

That regulations 11 and 12 of the Austudy Regulations (Amendment), as contained in Statutory Rules 1997 No. 83 and made under the *Student and Youth Assistance Act 1973*, be disallowed.

Burma

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

That the Senate—

(a) notes that 19 June 1997 is the 52nd birthday of Burma's Nobel Peace Laureate and leader of the National League for Democracy (NLD), Daw Aung San Suu Kyi;

(b) expresses concern that, despite calls from the international community, the State Law and Order Restoration Council (SLORC) refuses to enter into political dialogue with the NLD or any other democracy activists;

(c) notes, with concern, that violations of basic human rights continue in Burma despite continued calls by the United Nations General Assembly and the Commission on Human Rights that SLORC abandon such practices; and

(d) requests the Australian Government to continue to call on SLORC to:

(i) enter into political dialogue with Daw Aung San Suu Kyi, representatives of the NLD and ethnic minorities,

(ii) release all political prisoners immediately, and

(iii) immediately cease all political oppression and other human rights abuses.

Youth Unemployment

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

That the Senate—

(a) expresses concern that the rate of youth unemployment among 15 to 19 year-olds seeking full-time employment across the States and Territories is as follows:

South Australia	37.1%
New South Wales	27.8%
Victoria	31.1%
Queensland	29.6%
Western Australia	17.3%
Tasmania	34.3%
Australian Capital Territory	26.3%
Northern Territory	25.9%;

(b) notes that these figures do not account for the large numbers of under-employed young people, and

(c) expresses its concern that unemployment, under employment and poverty are increasingly affecting young Australians.

COMMITTEES

Economics Legislation Committee

Extension of Time

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

That the time for the presentation of the report of the Economics Legislation Committee on the Excise Tariff Amendment Bill (No. 1) 1997 be extended to 18 June 1997.

ORDER OF BUSINESS

Economics References Committee

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

That business of the Senate notice of motion No. 1 standing in the name of Senator Lundy for today, relating to the reference of a matter to the Economics References Committee, be postponed till Thursday, 26 June 1997.

Workplace Relations Regulations

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

That business of the Senate notice of motion No. 2 standing in the name of Senator Murray for today, relating to disallowance of regulation 4 of the Workplace Relations Regulations (Amendment), be postponed till 23 June 1997.

Corporations and Securities Committee

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

That general business notice of motion No. 405 standing in the name of Senator Murphy for today, relating to the reference of a matter to the Parliamentary Joint Committee on Corporations and Securities, be postponed till 23 June.

COMMITTEES

Community Affairs Legislation Committee

Extension of Time

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

That the time for the presentation of the reports of the Community Affairs Legislation Committee on the Australia New Zealand Food Authority Amendment Bill 1996 and the Australia New Zealand Food Authority Amendment Bill (No. 2) 1997 be extended to 23 June 1997.

ORDER OF BUSINESS

Attorney-General's Department: Grant of Assistance

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

That general business notice of motion No. 599 standing in the name of Senator Murray for today, proposing an order for the production of documents by the Minister representing the Attorney-General (Senator Vanstone), be postponed till the next day of sitting.

High Court Regulations

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

That general business notice of motion No. 3 standing in the name of Senator Bolkus for today, relating to the disallowance of High Court of Australia (Fees) Regulations (Amendment), be postponed till the next day of sitting.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Meeting

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

That the Rural and Regional Affairs and Transport Legislation Committee be authorised to hold a public hearing during the sitting of the Senate today from 5 p.m. to 7 p.m. to take evidence on the estimates of Air Services Australia.

PAPUA NEW GUINEA

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

That the Senate—

(a) notes:

(i) the peaceful protests held in Papua New Guinea (PNG) by the non-government organisation movement, including the Melanesian Solidarity Group, the Individual and Community Rights Advocacy Forum, the PNG Watch Council, trade unionists and students, to exercise their socio-political rights, to protect democracy in PNG and to stop the war on Bougainville,

(ii) the existence of the public order law in PNG which restricts the rights of PNG citizens to exercise their political rights through public meetings, assembly, demonstrations or pickets,

(iii) the arrest of civilian protest leaders, who face court proceedings on 25 June 1997 on charges of unlawful assembly, and

(iv) commentary that these peaceful protests, with the actions of Brigadier General Singirok and anti-war soldiers, stopped the mercenary initiative by PNG with Sandline International on Bougainville; and

(b) calls on the Australian Government to:

(i) communicate to the PNG Government, in the strongest possible terms, its opposition to the arrest and trial of peaceful protesters and the public order law, and

(ii) oppose the use of mercenaries on Bougainville and the aiding and abetting of any personnel, aid or equipment transfer to assist PNG with the war on Bougainville, including Australian assistance.

SRI LANKA

Senator MARGETTS (Western Australia)—I ask that general business notice of motion No. 590 standing in my name for today, relating to Sri Lanka and the Tamil people, be taken as a formal motion.

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

Senator Colston—Yes.

Leave not granted.

SMALL BUSINESS: FAIR TRADING LAWS

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

That the Senate—

(a) notes:

(i) the report of the House of Representatives Standing Committee on Industry, Science and Technology entitled *Finding a balance: Towards fair trading in Australia* tabled on 26 May 1997,

(ii) that the committee has concluded that 'concerns about unfair business conduct towards small business are justified, and should be addressed urgently', and

(iii) that the committee has recommended changes to the Trade Practices Act to deal with unfair trading, reforms which have been lobbied for by small business for two decades; and

(b) calls on the Government to move forthwith to address the urgent problems faced by small business with a strengthening of the

Trade Practices Act to deal with unfair trading issues.

FRANCHISING CODE COUNCIL

Senator MURRAY (Western Australia)—I ask that general business notice of motion No. 595 standing in my name for today, relating to the collapse of the Franchising Code Council, be taken as a formal motion.

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

Senator Colston—Yes.

Leave not granted.

SMALL BUSINESS: FAIR TRADING LAWS

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

That the Senate—

(a) notes that:

(i) the largest number of submissions received by the House of Representatives Standing Committee on Industry, Science and Technology on small business fair trading laws was in relation to retail tenancy, and

(ii) retail tenants have very real concerns about lack of security of tenure, the calculation and review of rents and variable outgoings, the lack of disclosure on tenancy agreements, and the considerable discretion that lessors have to affect the operating conditions of a tenancy during its terms; and

(b) calls on the Government to support the committee's call for a Uniform National Retail Tenancy Code approved by the Australian Competition and Consumer Commission and underpinned by fair trading provisions in the Trade Practices Act.

COMMITTEES

Foreign Affairs, Defence and Trade References Committee

Report

The DEPUTY PRESIDENT—Pursuant to standing order 38, I table the report of the Foreign Affairs, Defence and Trade References Committee entitled *Hong Kong: The transfer of sovereignty*. The report has been presented to the President since the Senate adjourned on 30 May 1997. In accordance with the terms of the standing order, the publication of the report was authorised.

Foreign Affairs, Defence and Trade References Committee

Report

The DEPUTY PRESIDENT—Pursuant to standing order 38, I table the report of the Foreign Affairs, Defence and Trade References Committee entitled *Helping Australians abroad: A review of the Australian Government's consular services*. The report has been presented to the President since the Senate adjourned on 30 May 1997. In accordance with the terms of the standing order, the publication of the report was authorised.

Ordered that the report be printed.

Senator FORSHAW (New South Wales) (4.06 p.m.)—by leave—I move:

That the Senate take note of the report.

This report of the Foreign Affairs, Defence and Trade References Committee, entitled *Helping Australians abroad*, deals with a number of very important and indeed, in some cases, very distressing issues with respect to the provision of consular services to Australians overseas. You, of course, Madam Deputy President, were a member of that committee. Certainly I am sure you will endorse my comments that this was not an easy inquiry for the committee. It was not easy because there were some very tragic circumstances that the committee inquired into.

In particular the committee inquired into the circumstances surrounding the kidnapping and murder of David Wilson by the Khmer Rouge in Cambodia. The committee also conducted an inquiry into the circumstances with respect to the death of Mr Ben Maresh in Timor. They were two of the more notable cases where Australians have tragically lost their lives overseas. It was the committee's charter to look at the circumstances involved, particularly with respect to whether or not the provision of services by the Australian consulate and embassy representatives in those cases was adequate.

There were a number of other cases that may not have necessarily achieved the public prominence as those involving David Wilson and Ben Maresh, but certainly the committee examined other cases involving the sad and, in a couple of cases, tragic deaths of people

overseas who met an untimely end in mysterious circumstances. In a number of cases, the full facts are yet to come out.

I do not wish to identify the people involved, but some of those circumstances involved the deaths overseas of people suffering from mental illnesses and also people who are still missing in other countries—their whereabouts and fate are unknown. The committee also inquired into a couple of other cases in particular; namely, the gaoling of Dr Flynn in India and also the circumstances with respect to Mr James Peng, who is still imprisoned in China. Efforts have been made by both the previous government and the current government to have Mr Peng released.

The committee considered a wide range of issues involved in the provision of consular services, particularly in the cases that I have referred to but also in general. The wide nature of the services provided extended from the provision of small amounts of financial assistance to travellers who may have lost their property or had their property stolen overseas to very complex cases such as the ones I have mentioned, where assistance was provided to the families and also to the individuals concerned.

The committee looked at issues such as the relationship between our consular services and other organisations locally, for example, in the travel industry. We looked at our relationship with other countries, including the implementation of sharing arrangements with Canada—such arrangements exist in a number of countries—where Australia and Canada, on an agreed basis, represent each other's citizens. We examined the role of honorary consuls. We considered assistance that is sought by people who may have been arrested and/or gaoled overseas, including some people who have been given very long sentences and are in gaol overseas.

We also considered relevant issues such as the relationship of the department and consular services with the media, both locally and overseas; the policies followed by the department in hostage cases; and the provision of assistance to people who may get sick overseas, particularly those who, as I have mentioned, may travel overseas and then suffer relapses of mental illness. A whole range of issues were considered by the committee. It is a very extensive report, and I do urge all senators and indeed the public to read it.

It is impossible to summarise the committee's detailed report and findings in the short time available to me today, but I do want to touch on a couple of issues. Firstly, it has to be acknowledged that the Department of Foreign Affairs and Trade, through its consular services around the world, receives in excess of 400,000 contacts a year, ranging from a simple telephone call to the provision of assistance in very complex cases.

The committee noted in the report that many people have unrealistic expectations about what can be provided. Many people apparently believe that, if they get into trouble overseas, they can just contact an embassy or a consulate and they will fix it all up for them. I want to stress today that the committee urges Australian travellers heading overseas to understand and accept that they have a responsibility to themselves for their own safety to plan properly, to make sure that they have taken out adequate travel insurance, to keep in regular contact with relatives and friends, and so on.

The fact of the matter is that quite often the embassy or the consulate may well be restrained from providing assistance because of the local laws and customs and the nature of the country and society in which travellers find themselves in trouble. The committee has made quite a number of recommendations, which are set out in the overview in the report. Unfortunately, I do not have time to read them into the *Hansard* today, but I do draw the attention of senators and the public to those recommendations.

It is true that we have been somewhat critical of some of the services that have been provided by the department, in particular in relation to the case of Mr David Wilson. We found in that case that a better system could have been adopted in terms of the department's relationship with the media and also that greater assistance and information could have been provided to the family members during and after that tragic circumstance.

The committee has been the subject of some criticism from members of the Wilson family and the media, but I want to stress that the committee was never in a position to answer all their questions. We were not in a position to determine precisely why it was that the Khmer Rouge murdered David Wilson. But what we do know—and what everyone knows—is that it was the Khmer Rouge, a group that has an unsurpassed reputation for murder, indeed genocide, during the recent history of Cambodia.

I want to put on the record quite clearly today my concern that some people have set out to try to blame the department of foreign affairs or the former minister for foreign affairs, Senator Gareth Evans, for the fate of David Wilson. They in no way could ever be held to have any degree of responsibility. As the committee unanimously stated, we found that the efforts by the then minister and the officers of the department throughout that tragic crisis to have been made with the utmost integrity. Whilst we have the benefit of looking at these situations with hindsight and can find situations where improvements can be made in the future, it should never be forgotten that at all times the minister and the officers of the department acted with the greatest integrity and effort in those cases. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

DOCUMENTS

Tabling

The ACTING DEPUTY PRESIDENT (Senator Knowles)—Pursuant to standing order 166, I present documents as listed on page 8 of today's order of business. The documents have been presented to the President since the Senate adjourned on 30 May 1997. In accordance with the terms of the standing orders, the publication of the documents was authorised.

Audit Act—Performance Audit—Report No. 35 of 1996-97—1996 Census of Population and Housing: Australian Bureau of Statistics.

Audit Act—Performance Audit—Report No. 36 of 1996-97—Commonwealth Natural Resourse Management and Environment Programs—Australia's Land, Water and Vegetation Resources.

Industry Commission—Report No. 58—The Automotive Industry, dated 26 May 1997.

Volume 1—Report.

Volume 2—Appendices.

COMMITTEES

Rural and Regional Affairs and Transport References Committee

Report: Government Response

The ACTING DEPUTY PRESIDENT—Pursuant to standing order 166, I present the government response as listed on page 8 of today's Order of Business. The response was presented to the Deputy President on 10 June 1997. In accordance with the terms of the standing orders, the publication of the response was authorised.

The response read as follows—

Report on the Purchase of the Precision Aerial Delivery System (PADS) by Airservices Australia by the Senate Rural and Regional Affair and Transport References Committee

GOVERNMENT'S RESPONSE TO THE RECOMMENDATIONS FROM THE "PADS" REPORT

The Government is committed to ensuring that Australian search and rescue organisations have access to the most effective and accurate aerial delivery systems for the deployment of search and rescue equipment. To this end, Airservices Australia is undertaking work designed to ensure that the Precision Aerial Delivery System (PADS) is brought into operational service in the near future. The efforts of the Board and the management of Airservices in trying circumstances are acknowledged by the Government. The Government has confidence in the Board and the Chairman, both in the past and currently.

The Government's formal response to each of the recommendations in the PADS report is as follows:

Recommendation 1

The Committee believes that this matter (the full commissioning of the equipment) must be urgently resolved. The Committee recommends that if there is no clear evidence of a resolution of the stalemate between Airservices Australia and SAR Pty Ltd in the near future, the Government should appoint an appropriately qualified mediator to fully oversee the commissioning of the PADS equipment purchased by Airservices.

Airservices Australia has entered into a process to develop the minor modifications necessary for a solution to the safety problems associated with

PADS to enable the Airservices' owned PADS equipment to be put into service as soon as possible.

The proposed solution will be fully tested, including flight testing, and will be designed to meet all Civil Aviation Safety Authority requirements for certification. Airservices' objective is to have this process largely completed by 1 July 1997.

This proposed solution is intended to enable the modified PADS equipment to be placed into operational service with the new civil aviation and maritime search and rescue organisation, AusSAR as soon as possible after they assume aviation SAR responsibilities, on 1 July 1997.

Recommendation 2

While not strictly within the Committee's terms of reference, as a result of evidence given to the Committee relating to inadequacies in the regulatory environment for search and rescue in Australia, the Committee recommends that the Government request CASA to urgently address the problems highlighted in the Turtleair report.

The Government agrees that it is CASA's responsibility to address the problems with regulatory requirements for aviation search and rescue operations highlighted in the Turtleair report. CASA is currently addressing these requirements under the Airways Technical Committee of the Regulatory Framework Program.

At the Airways Technical Committee's inaugural meeting on 15 April 1997 a specific project team was established to review SAR requirements.

This review is considered to be one of the priority areas for this Technical Committee's consideration. Apart from considering the issues raised in the Turtleair report, the project team will also be reviewing the overall requirements for the future provision of aviation SAR by the new national civil aviation and maritime SAR organisation, AusSAR, which is to commence operations under the auspices of the Australian Maritime Safety Authority on 1 July 1997.

Senator BOB COLLINS (Northern Territory) (4.19 p.m.)—I seek leave to move a motion in relation to the report.

Leave granted.

Senator BOB COLLINS—I move:

That the Senate take note of the document.

I wish to speak to the report on the purchase of the precision aerial delivery system, PADS, and to respond to the extraordinary government response on this matter that has been tabled which, in respect of the problem with the precision aerial delivery system that is detailed in the unanimous, bipartisan Senate committee report, says:

Airservices Australia has entered into a process to develop the minor modifications necessary for a solution to the safety problems associated with PADS.

I am sure it was to the astonishment of the members of the Senate committee that canvassed the enormous problems that were caused in the purchase of this equipment that the matter was dealt with in a single throw-away line—minor modifications—in the government response.

I might add that these so-called minor modifications have not yet been made. Although Airservices Australia had to seek, at significant expense, external engineering advice outside the company that actually provided the equipment and received payment for it, that modification is not yet in place. It utterly ignores the fact that this so-called minor modification placed lives at risk—that is, the lives of the crews that were flying the aircraft that was delivering this equipment.

No Senate committee member who sat in that Senate committee room and watched videotape of the static line of this equipment recoiling from the raft after it came off and then hitting the aircraft that delivered it, wrapping itself around the wing of the aircraft and, on one occasion, actually flying forward and striking the engine of the aircraft, would doubt for one minute the truth of what I am saying. There was not a majority or dissenting report in respect of this issue. Even though the report did contain serious criticisms of the way in which this government agency handled the purchase, it was a unanimous, bipartisan report.

The problems were serious and, to this moment, have not been resolved. This equipment that has now cost the taxpayers at least $2 million all up in terms of not just the original purchase cost but the testing programs that were undergone and the consultancies that were then let to try to repair the problem is still lying in a warehouse in Melbourne, almost useless at this point in time, like a huge pile of remaindered books in a Dymocks bookshop.

The matter of resolving the failings of this equipment—the major flaw in this equipment which led to its use being discontinued and which led to the safety regulators withdrawing, because of the danger to the pilots, the certification from the static line that allowed it to be used—is good luck, not good management. It is as simple as that. Because of the way in which this contract was let, and principally because of the actions of Mr Sharp's personally appointed Chairman of Airservices Australia, Mr Forsyth, it is more good luck than good management that this situation may in the future be satisfactorily resolved.

There is a long history to this equipment—as a number of senators on both sides of the house know. This equipment was tested by the technical division of the Royal Australian Air Force—a division with an international reputation for its expertise. The technical division of the RAAF found that the problems associated with this equipment, causing potential danger to the lives of the rescue crews, were so great that they recommended that it should not even be further tested until the engineering problems were sorted out.

All of that documentation is a matter of public record; it is in the public domain. Airservices Australia—this is important—determined, on the basis of that expert advice, not to purchase the equipment. A decision had actually been taken not to buy it. But the newly appointed Chairman of Airservices Australia, Mr Forsyth, overturned that position, which was the firm position of the management and executive of Airservices Australia. He ordered that a new assessment panel be set up to test the equipment. He told the Senate estimates committee, to our astonishment, that he had deliberately not informed himself of the history of the problems with this equipment in order to come to it with an open mind, or something to that effect.

So the fact that the Royal Australian Air Force had actually published a damning document after a fairly expensive exercise on behalf of Airservices in testing this equipment and condemned it was something which the Chairman of Airservices Australia deliberately chose not to inform himself of. It is quite extraordinary. As I said at the time, I do not know what the shareholders of Dymocks books would think if he took similar decisions about equipment purchased by Dymocks books that cost $1½ million and could not be used, as this equipment, as we speak, cannot be used. It is still unusable.

To see this history described in one line in a single page response to the government as a minor modification is just breathtaking. I would suggest that anyone who has an interest in this issue and who doubts the government's and the minister's sincerity when they talk about concern for aviation safety should read this government response and then go back and read the majority report—the only report, the unanimous report—of the Senate committee into this same purchase.

The fact is that the company that supplied the equipment has fundamentally and basically said that as far as they are concerned, there is nothing wrong with it. They have refused to take any part in further modification of the equipment, bought and paid for by Airservices Australia. Airservices Australia had absolutely no choice in the matter, in a desperate attempt to use $1½ million worth of unusable equipment, as I said, lying useless as we speak still in a warehouse in Melbourne. It cannot be used to rescue anybody. They had no choice but to commission themselves engineering consultants to try to solve the engineering design fault with this after they had bought it, not before.

Of course, as the Senate committee knew—it is all there in documentation that was produced by the department to the Senate committee—this was despite the profound agitation of senior management in Airservices Australia who actually saying in writing to the executive of Airservices Australia, 'Check this now, not after you buy it.' We had electronic memos actually laying out in detail the very problems that are still at fault with this equipment and these officers saying, 'Before you hand the cheque over, make sure this is all resolved before you buy it, not afterwards.'

All of that was ignored because the Chairman of Airservices Australia, appointed by

this minister, had made up his mind that this equipment was going to be purchased. To the astonishment of us all, he told the Senate that he had not bothered reading any of the previous reports on this equipment because he wanted to have an open mind when purchasing. Well, he had an open mind and an open cheque book on behalf of the taxpayers as well. Whatever the government says about this issue here today, the one thing that is absolutely beyond argument is that this equipment still cannot be used.

We were told last week at Senate estimates that one of the independent consulting experts, paid $100,000—that is $100,000 paid for by Airservices Australia, not the supplier of the equipment—is now confident that they can find an engineering fix for the problem. Of course, we do not know yet—this was made clear—how much the actual modifications themselves will cost if the engineering solution is found to work.

So the cash register still has not stopped ticking over. The poor old taxpayers have been given a very rough ride on this issue indeed. So as we speak here on this debate, according to the government this minor modification currently means that this rescue equipment cannot be used for the purpose for which it was purchased. Two million dollars has been spent on equipment which is lying, as we speak, utterly useless in a warehouse in Melbourne. We are yet to know whether the optimism of the officers who gave evidence last week that an engineering solution may have been found is yet to be realised. The one thing we are certainly yet to find out is how much that fix will cost the taxpayers when it is finally and hopefully delivered.

To sit through all of that evidence, to watch video film of this equipment actually placing the lives of rescue crews in unarguable danger and to see all that brushed under the carpet and brushed off as a minor modification by this minister who came into office saying that safety was his major concern and his major consideration is just beyond belief. I am sure that all members of the committee who investigated this matter and came down with that unanimous report will share my view.

Senator CONROY (Victoria) (4.28 p.m.)—Like Senator Bob Collins, I was a member of the Rural and Regional Affairs and Transport References Committee and, like Senator Collins, I sat aghast as we listened to the debacle over the purchase of PADS. We had a situation where an evaluation committee was established by the new Chairman of Airservices Australia, as outlined by Senator Collins. This evaluation committee conducted what can only be described as a pathetic scientific trial. It was pathetic in that it did not examine the equipment in genuine rescue conditions. It admitted as much. It subsequently tried to say that it did not have time. But it admitted that it did not even conduct a test in rescue conditions.

Notwithstanding that, the equipment malfunctioned significantly. What I mean by 'significantly' is that it endangered the crew who were conducting the rescue or, in this case, the practices and the tests. It is not a matter of conjecture. It is not some senator standing up and saying, 'This is what might have happened.' This is what independent tests showed before, during and after the purchase of PADS.

Despite the manufacturer claiming—to this day the manufacturer still claims it—that it is all the fault of those who had been conducting the testing, the manufacturer continues to ignore the engineering tests that have subsequently been conducted, which have shown the equipment to be absolutely of poor and shoddy quality. We have heard stories about Korean tennis balls cut in half. Because they are Korean tennis balls instead of good old Australian tennis balls, they have collapsed under the pressure. We have heard about tests to simulate air turbulence in crash conditions, in rescue conditions, being conducted on the back of a truck. Yet the government has said that it has confidence in the board and the chairman, both in the past and currently.

The chairman said that he did not even examine previous evidence. He received a one-page draft report from this evaluation committee, and then he made the decision to go ahead. He did not have even the full report, not that the full report is much of an

improvement in quality and in the advice contained in it.

I have a question for the government and for the Airservices board: is the evaluation panel able to be taken to court over its pathetic performance and monetary recompense for the extra costs that Airservices, not the manufacturer, has had to incur to make this equipment safe? What you have got is the government saying, 'We have confidence in the board.' The board does not want to ask these questions.

I have a second point for the Airservices board. The modifications so far have cost more than the original purchase of the equipment. The equipment cost $740,000 or so. The modifications and the testing for this project to date, as Senator Bob Collins has said, has taken us past $2 million. The cost has already doubled. We have spent more on modification and repairs than on the actual equipment. Yet we are still sitting in a warehouse.

Who is going to be the owner if, as the government says, Airservices Australia has entered into a process to develop the minor modifications necessary for a solution to the safety problems? 'Minor modifications' is a very interesting term. I would love to hear what the manufacturer and a court of law would say about minor modifications and the patent. Who is going to own the intellectual property arrived at after hundreds and hundreds of thousands of dollars worth of equipment has been modified? Who is going to own the patent and the intellectual property on the modified equipment—Airservices or Mr Gruzman? Does anyone have any idea?

The government is trying to pretend that there are minor modifications. This was equipment that could have killed the rescuers. This was equipment that was shown to be defective. It should never have been purchased. The chairman was negligent in his conduct. He refused to listen to the expert advice. He set up a bodgie selection panel to get it done as quickly as he could.

The chairman of the evaluation panel made it quite clear that the pressure was on to get it done quickly. That is why they could not conduct the tests when it mattered, which was when it was important for them to be conducted. So we have a situation where the government has confidence in the board. The minister has confidence in his mate he appointed, who has cost Australian taxpayers over $2 million in equipment that is unusable and that requires significant, not minor, modifications just to bring it into service.

Question resolved in the affirmative.

DOCUMENTS

Arrest of Senator Brown

The ACTING DEPUTY PRESIDENT—I present a letter from Acting Senior Sergeant Terry Bradford, of the Orbost Police Station, Victoria, relating to the arrest of Senator Brown on 13 June 1997.

Senator BROWN (Tasmania) (4.35 p.m.)—by leave—I move:

That the Senate take note of the document.

I think the Senate has been very wise in this notification process. It is a good thing, because of the requirement that we, as members of parliament, act according to the highest levels of our conscience as well as have regard for the law and the future of this country, that there is some mechanism for the Senate to be informed if a member is placed under arrest.

I, for one, hate being arrested. I hate being put in the situation where the law as it stands, which is invoked so often in the defence of property, brings one's conscience into conflict with one's regard for the natural environment, the rights of future generations and, indeed, the rights of our fellow species on this planet.

I was motivated to go to East Gippsland after Senate estimates committees last week. On the one hand, I had seen a regional forest agreement signed between the Prime Minister (Mr Howard) and the Premier of Victoria, Mr Kennett, in February. On that day, I saw a statement saying that this was a world-class protection mechanism for the wilderness and the biodiversity and old growth values in those national estate forests at East Gippsland.

On the other hand, we had protesters in the forest. I was aware that a regional forest agreement promising just the same things was about to be signed in Tasmania and I wanted

to see for myself these forests. I was aware that three senior Victorian scientists—Dr Ian Lunt, Dr Doug Robinson and Bertram Lobert—wrote in the *Age* just last Monday, 9 June, describing the Goolengook Forest in East Gippsland as having immense biological value. They said it contained endangered plants, birds and mammals, and a unique rainforest community all within the closed and largely undisturbed catchment. The question that arose was: how could it be that such an important and valuable area, which the Prime Minister had said was safe in the regional forest agreement, was in fact being logged?

I believe it is, in this situation, the Prime Minister who ought to be in the dock. When I went to East Gippsland I found that what the scientists had said was correct and that what the Australian Heritage Commission had found in citing national estate values in this forest ought to be upheld. Here we have, intact, magnificent eucalypt forests and rainforests in the valleys, full of mammals and birds and the whole range of biodiversity that makes up these ancient ecosystems.

There are slender ferns and tree ferns, which would range between 500 and a thousand years old, intact in amongst the eucalypts which are probably 300 or 400 years old. There is great diversity of life in this magnificent piece of Australia's natural estate.

The judgment of the Prime Minister and the Premier of Victoria stands indicted. There is a process both before that regional forest agreement and within the regional forest agreement itself which requires those political leaders to have consulted with the Australian Heritage Commission where these national estate values are at stake. They did not. I have preliminary legal advice which says they are acting illegally in allowing the destruction of this forest, which is a national monument.

Senator Campbell—Madam Acting Deputy President, I raise a point of order. I draw your attention to standing order 194 and request that you ask Senator Brown to make his remarks relevant to the letter that is under discussion. His comments in the first minute were relevant but certainly his comments in the last four minutes—and I have been listening carefully—bear no relevance to the letter dated 13 June 1997 from Acting Senior Sergeant Terry Bradford.

Senator BROWN—Madam Acting Deputy President, on the point of order. If you read that letter you will find that Acting Senior Sergeant Terry Bradford has informed the Senate that I was arrested as a result of a peaceful demonstration taking place in the forests. What I am talking about are the reasons for that protest taking place, the reasons for my involvement and the reasons for the arrest. Those issues are very much germane to this debate.

The ACTING DEPUTY PRESIDENT (Senator Knowles)—Senator Brown, I would ask you to make sure that your comments do relate, in particular, to the letter and not to the general subject which you were straying on to just before the point of order was raised.

Senator BROWN—Yes, I will make sure of that. The point I am making is that it is not only me who has to answer to both the law and the conscience of the way in which this country's national environmental priorities are concerned but more so the leaders at state and federal level.

I went to the forests of Goolengook in East Gippsland both because I feel strongly about the whole of this country's national estate and because of the litmus test this is for what is going to happen in Tasmania, where a regional forest agreement is due to be signed within weeks. If this is an indication of what is to happen in Tasmania, we must be full of foreboding.

Senator Campbell—Madam Acting Deputy President, I again raise a point of order. I really cannot see how an agreement which is going to be reached in Tasmania has anything to do with something happening in Orbost. It is a very long bow. I put it to you, Madam Acting Deputy President, that even under the most broad interpretation of section 194, that is drawing an extremely long bow.

The ACTING DEPUTY PRESIDENT—Senator Brown, I do draw your attention, yet again, to the fact that you are straying on to the general issue and not keeping specifically to the letter that is before the Senate at the

moment. I ask you to address your remarks to the letter before the Senate.

Senator BROWN—The letter before the Senate says that an arrest was made in peaceful circumstances and that it was an environmental demonstration. I would ask you to take into account what those words mean. It is for me to explain that to the Senate in these circumstances.

What I am saying is that this is an important issue and that there are citizens being arrested—as this letter states—in this forest who are acting peacefully in the face of a violent approach to that forest by the Prime Minister and the Premier. Moreover, I am saying that it was incumbent upon other members in this place, as well as the Prime Minister and the Premier, to have gone out to this forest, which is nationally significant, before they signed its death warrant. That is germane to this letter, which has put me in this situation.

What I am saying to the senator opposite is a message he might give back to his Prime Minister: that he go to this forest and see which side he stands on, because his death warrant to this forest is ill-informed, ignorant and irresponsible. That is the Prime Minister's attitude to these prime forests of national and international significance. He stands indicted—

The ACTING DEPUTY PRESIDENT—Senator Brown, you are now deliberately going against my ruling. I am asking you to speak to the letter before the Senate and not to the general issue and not to condemn people in another place.

Senator BROWN—If you want to stop me from speaking about the Prime Minister's role in circumstances which led to my arrest in East Gippsland, I am happy for you to do that, Madam Acting Deputy President.

The ACTING DEPUTY PRESIDENT—I am simply asking you to talk to the letter that is before the Senate, not to the general issue.

Senator BROWN—And that is what I am doing, and I will continue to enumerate the circumstances which led to this letter coming before you and being placed before the Senate, and not have that debate truncated because the Prime Minister might not want to be involved when he is centrally involved in the circumstances leading to this letter being sent. He is centrally involved in citizens being arrested, he is centrally involved in my arrest, the arrest of someone doing his job standing peacefully in defence of this nation's heritage, of Victoria's heritage, of the national estate. We would not be in this fix if he had done the right thing, if he had consulted the Australian Heritage Commission, as he is required to under the Australian Heritage Commission Act and as he is required to under section 16 of his own regional forest agreement with the recalcitrant Premier of Victoria, Jeff Kennett. None of this would have been happening; this letter would not be here had they done that right thing.

Senator Campbell—I rise on a point of order, Madam Acting Deputy Chairman. The point is that my honourable colleague Senator Brown is now breaching another standing order, 193(3). He obviously has very little respect for any law, unless it is one he happens to like. But I would ask him at least, since he sought election to the Senate, to uphold the standing orders of this place. If he does not like the standing orders, he should go to the relevant committee and seek a vote of this place to change them. But at least he should respect the laws of this place. You cannot have a parliament that actually works unless everyone shows respect for each other and unless all of us who have agreed to the standing orders abide by those orders, and the rule of you, Madam Acting Deputy President, who seeks to apply those laws and rules to this place.

The ACTING DEPUTY PRESIDENT—Clearly, Senator Brown, you are completely and utterly defying my ruling and I would ask you in the remaining 31 seconds to actually speak to the letter. You have now spoken for 9½ minutes without speaking to it.

Senator BROWN—You and the Manager of Government Business obviously have a different interpretation of those rulings from the one I have. It is the first time I have ever heard a point of order on a section of our rules being flouted in the putting of it by the senator opposite. He might want to defend the

Prime Minister: let him get up and do so. He has his opportunity straight after me. Let him say whether he has been to these forests. Let him say whether what I am saying is correct.

Senator Campbell—On a point of order, my point of order was in relation to standing order 193, subsection (3), which is in relation to using offensive words against people in another place. The person I am referring to that Senator Brown used such a word about is the Premier of Victoria.

The ACTING DEPUTY PRESIDENT—Senator Brown, if you used a derogatory word towards the Premier of Victoria, I ask you to withdraw it.

Senator BROWN—Yes, if I had I would, Madam Acting Deputy President. The reality is that it is left to citizens to go peacefully into these forests to defend against the violence that is occurring there. And more today—50 people down there today—*(Time expired)*

Question resolved in the affirmative.

BHP Steelworks

Medicare

The ACTING DEPUTY PRESIDENT—I present responses to Senate resolutions as follows:

. From Mr R.J. McNeilly, Chief Executive Officer of BHP Steel, responding to the resolution of the Senate of 14 May 1997 concerning the closure of the BHP steelworks in Newcastle;

. from the Minister for Health and Family Services to the resolution of the Senate of 10 December 1996 concerning Medicare rebates for psychiatric consultations.

Casual Vacancies

The ACTING DEPUTY PRESIDENT—I present a response from the Premier of Victoria responding to the resolution of the Senate of 15 May 1997 concerning Senate casual vacancies in the state of Victoria.

Senator CARR (Victoria) (4.50 p.m.)—by leave—I move:

That the Senate take note of the document.

The motion that I moved in this chamber and which was conveyed as a resolution to the Premier of Victoria concerned the filling of casual vacancies. It was a motion that was carried unanimously by this chamber and it drew the attention of the Premier of Victoria to his abysmal, pitiful record, his blatant hypocrisy and blatant double standards when it came to the issue of filling casual vacancies.

The Senate drew to the Premier's attention the fact that it took, in the case of Senator Synon, a whole one day to fill the vacancy which arose as a result of the resignation of Senator Short, yet in the case of Senator Conroy it took 84 days to fill the casual vacancy created by the resignation of Senator Evans. On average, it has taken the Kennett government some 56.7 days to appoint an Australian Labor Party nominee to a Senate casual vacancy compared with one day to fill a vacancy created by the actions of a Liberal senator.

What the Senate did was to deplore the blatant party political double standards pursued by the Kennett government in the speed taken to fill Senate casual vacancies. The Senate called upon the Kennett government to cease its policy of discrimination against the ALP nominees for Senate casual vacancies, and it also sought to remind the Kennett government of the resolution of the Senate of 3 June 1992, and reconfirmed by the Senate on 7 May 1997, that casual vacancies in the Senate should be filled as expeditiously as possible and that state parliaments should adopt procedures which would enable Senate casual vacancies to be filled within 14 days of the notification of the nominee of the relevant political party.

What do we see in response from the delightful Premier of Victoria? A premier who clearly has a contemptuous attitude towards the Senate, quite clearly indicated in his letter. He said that he wants to:

> . . . thank the Senate for once again highlighting the priority it gives to its deliberations. Is it any wonder the public question the relevance of the Senate.

This reflects a much deeper attitude within the Liberal Party. It reflects the fact that the

Liberal Party has a completely double standard when it comes to this chamber. It has a view that it can rort the system when it suits it, and it can use the procedures of this Senate to bring down elected government when it suits it. It can abuse the procedures and the conventions of this parliament and the conventions of the Australian constitution in such a way as to seek a very narrow based political advantage. What we see again and again on the question of filling of casual vacancies is this appalling record coming home to demonstrate the contemptuous attitude the Liberal Party has towards the Senate.

The great irony here is that it is the Liberal Party that has cried foul whenever the Labor Party in the past has spoken about the need for reform of the Australian constitution. It is the Liberal Party that has argued how glorious our constitutional institutions are. It is the Liberal Party that has argued for a view that nothing should change in the Australian constitution. But when it comes to seeking narrow double standards, when it comes to adopting positions which give political advantage to the Liberal Party, what do we see? We see the situation that is highlighted in the state of Victoria where it takes one day to fill a casual vacancy created by the Liberal Party but 56 days, on average, to fill a vacancy created as a result of the need to replace an Australian Labor Party senator.

We, of course, have seen the examples in recent times of the discussions about pairing in the Senate, and the replacement of senators under the constitutional provisions to ensure the protection of the will of the Australian people in terms of their election of senators to this place. We have seen the same case arise in recent times with the appointment of Senator Conroy, where it took 84 days for the Victorian government to fill a vacancy created as a result of the resignation of Senator Gareth Evans—but one day when it comes to the filling of the vacancy for a Liberal senator.

What do we see further within the Liberal Party? It is highlighted by the contemptuous attitude that the Premier of Victoria has shown towards this whole procedure and convention in terms of the appointment, and quite contrary to the resolutions of the Senate passed not just once but on several occasions, unanimously by all senators in this place, that there should be the filling of vacancies as expeditiously as possible and that 'State parliament should adopt procedures which will enable Senate casual vacancies to be filled within 14 days of the notification of the vacancy or within 14 days of the notification of the nominee of the relevant political party.'

What do we see within the Liberal Party? Since the defection of Senator Colston, we see a course of action which now moves to ensure that, as they see it, the Australian electoral laws are changed in such a way as to nobble the Senate and to seek legislative amendments to the Senate voting system. This has been advocated now not only by the President of the Liberal Party, Mr Tony Staley, and the former federal director, Mr Andrew Robb, but, as I understand it, position papers are being prepared within the office of the Prime Minister himself to undertake studies as to the ways in which the Senate voting system can be rorted to ensure this government has a majority in this chamber.

The hypocrisy of this position is all too clear to all those who care to look. It is the same hypocrisy that is highlighted by resolution of the Senate which was carried on 15 May this year. That resolution demonstrates the double standards of taking one day to fill a vacancy when a Liberal casual vacancy arises but 84 days in the case of filling the casual vacancy created by the resignation of Senator Gareth Evans and the appointment of the now Senator Conroy.

This government stands condemned for condoning the actions of the Premier in terms of the comments that have been made in this chamber over time. This is the government in Victoria that was only too happy to advise its public servants in the strongest possible terms not to appear before Senate committees. We saw the scandals that arose regarding the tenders for the casino in Victoria. The public servants were instructed that they were not to have anything to do with the Senate. It was quite relevant then, wasn't it? The Senate was more than relevant, far too relevant, in fact, for the Premier of Victoria—far too relevant

to allow evidence to be presented to Senate committees in regard to the shameful, disgraceful corrupt practices that have occurred in the state of Victoria.

But now, when the question arises about the appointment of senators to this place by the state parliament in Victoria—a parliament controlled by the Premier of Victoria, given that the Liberals have a majority in both houses in that parliament—we see actions being taken as described in the letter to the Senate.

Is it any wonder that the public question the relevance of the Senate?

Well is there any wonder that the Premier of Victoria questions the relevance of the Senate? Because the Senate stands up to defend positions taken by the Australian people, and the electoral system in this parliament ensures that there is a range of views being expressed in the Senate—actions that this Premier would like to see undermined; actions, of course, that have been quite seriously canvassed and supported within very senior elements of this government; actions taken by senior members of the Liberal Party and its administrative wing to support the government's charges against the Senate.

All have arisen as a result of Senator Colston moving away from you, in terms of the arrangements you entered into, which means that you can no longer guarantee the majority that you thought you could have. So what do we see? Talks of double dissolution, talks of rorting the Senate electoral system, talks of ensuring that there is a majority put together by hook or by crook to protect this government's majority.

Senator Campbell—Mr Acting Deputy President, on a point of order: Senator Carr is straying a long way from the matter before the Senate, which is a letter from the Premier of Victoria. The Premier of Victoria happens to like Senator Carr, because he got rid of John Cain which helped him get elected. I think Senator Carr should restrict his comments to the letter from Mr Kennett—who, as I said, is a great fan of Senator Carr because he got rid of John Cain.

Senator CARR—On the point of order: the letter is in response to the Senate motion passed on 15 May concerning the appointment of casual vacancies. I am talking about the flagrant breaches of Senate resolutions in terms of the expeditious appointment of casual vacancies and the hypocrisy that is being pursued by the government of Victoria and also the comments made—

The ACTING DEPUTY PRESIDENT (Senator MacGibbon)—Senator Carr, your time has expired and the point of order is irrelevant.

Senator CARR—I was speaking to the point of order, and I have not concluded my speech. The normal practice is for the clock to actually stop when you are speaking to a point of order.

Senator Campbell—It had just stopped as I rose to my feet, if you had noticed.

The ACTING DEPUTY PRESIDENT—Are there any reports from committees?

Senator CARR—Hang on a minute.

The ACTING DEPUTY PRESIDENT—Do you have a point of order, Senator Carr?

Senator CARR—Mr Acting Deputy President, I have raised a point of order and I have not concluded my remarks. As I understand it, you said that my time had expired. Frankly, it makes me wonder when the practice of setting the clock on points of order started.

The ACTING DEPUTY PRESIDENT—Senator Carr, I have heard the point of order which was raised by Senator Campbell—

Senator Conroy—Mr Acting Deputy President, on the point of order—

The ACTING DEPUTY PRESIDENT—and I ruled that it was out of order.

The ACTING DEPUTY PRESIDENT—Do you have a further point of order, Senator Conroy?

Senator Conroy—Can I just seek clarification following your ruling, Mr Acting Deputy President? You ruled that Senator Campbell's point of order was out of order.

The ACTING DEPUTY PRESIDENT—Yes. It was irrelevant.

Senator Conroy—My understanding is that the clock should have stopped.

The ACTING DEPUTY PRESIDENT—Senator Carr has four seconds to go if he wishes to use that time. I am advised by the clerk that that is the dimension of time we are talking about.

Senator CARR—It is quite clear that this letter from the Premier of Victoria highlights the contempt the Liberal Party is showing this Senate, contempt which is shared by this government and by senior administrative officers of the Liberal Party. The Premier's letter ought be condemned. *(Time expired)*

Question resolved in the affirmative.

COMMITTEES

Community Affairs Legislation Committee

Report

Senator KNOWLES (Western Australia)—I present the report of the Community Affairs Legislation Committee on the provisions of the Social Security Legislation Amendment (Work for the Dole) Bill 1997 together with submissions and the transcript of proceedings.

Ordered that the report be printed.

Senator KNOWLES—I seek leave to make a very brief statement of about 30 seconds not in relation to the actual report but in relation to another matter relating to the report.

Leave granted.

Senator KNOWLES—I draw the attention of the Senate to the fact that there has been a very serious breach of privilege in that this entire report was obviously leaked to a journalist in advance of its presentation in the Senate this afternoon. An article in today's *Australian* quotes verbatim sections of this report. I will be pursuing this through the actual channels available to me as chairman of this committee and, if need be, through the Privileges Committee.

The ACTING DEPUTY PRESIDENT (Senator Reynolds)—Senator Knowles, I am advised that there is a particular method for raising this matter, but you have raised it in your own way.

BUDGET 1996-97

Consideration of Appropriation Bills by Legislation Committees

Additional Information

Senator KNOWLES (Western Australia)—I present the additional information received by the Community Affairs Legislation Committee in response to the 1996-97 additional estimates hearings, together with the transcript of proceedings.

COMMITTEES

Public Works Committee

Report

Senator O'CHEE (Queensland)—On behalf of Senator Calvert, the chairman of the Joint Committee on Public Works, I present report No. 5 of 1997 of the committee entitled *Development of No. 6 Squadron Facilities at RAAF Base Amberley, Queensland*. I seek leave to move a motion in relation to the report.

Leave granted.

Senator O'CHEE—I move:

That the Senate take note of the report.

Senator O'CHEE—I seek leave to incorporate Senator Calvert's tabling statement in *Hansard* and to continue my remarks later.

Leave granted.

The statement read as follows—

PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS

Tabling of Report

Monday, 16 June 1997

Development of facilities for No 6 Squadron at RAAF Base Amberley, Queensland

Senator Paul Calvert

(Committee's Fifth Report of 1997)

Madam President, the report which I have tabled concerns the proposed development of facilities for Number Six Squadron at RAAF Base Amberley in Queensland.

The Department of Defence proposes to construct new facilities adjacent to the existing apron and hangars for the operation, servicing and maintenance of F-111 aircraft at RAAF Base Amberley.

The proposal examined by the Committee is intended to provide an integrated facility for the various operational elements of No 6 Squadron,

which include an operational reconnaissance and strike capability as well as aircrew conversion and training functions.

The proposal will provide office accommodation, mission briefing and training rooms, storage facilities and workshops as well as associated amenities for a unit strength of 180 personnel.

When referred to the Committee the estimated outturn cost of the proposed work was $10.25 million.

The Committee has recommended that the works should proceed.

No 6 Squadron is one of two squadrons equipped with F-111 strike and reconnaissance aircraft.

The squadron is responsible for F-111 aircrew conversion training and the provision of an operational strike and reconnaissance capability.

Until recently, there was some uncertainty about the Life of Type of F-111. This uncertainty, and higher facilities priorities, delayed the provision of modern facilities for the squadron until now. With the benefit of numerous studies into the life of type of the F-111, an avionics upgrade, and the purchase of additional attrition and rotation aircraft, Defence now believes the aircraft will remain in service for many years. It is estimated that the life of type will expire in 15-20 years.

Both the aircraft and squadron personnel represent a substantial equipment and training investment by the taxpayers of Australia. The aircraft themselves are a sophisticated conventional deterrent force.

Based on extensive inspections of facilities housing squadron activities, the Committee concluded that facilities at RAAF Base Amberley occupied by No 6 Squadron are inadequate due to their dispersed locations, age and condition.

There is therefore a need to provide new purpose built facilities for No 6 Squadron's existing command, administrative, technical and training functions at RAAF Base Amberley.

The proposed facilities will be at two locations. The new No 6 Squadron facilities will be in hangar annexes and new buildings contiguous to Hangar 373 and the storage of F-111 attrition or rotation aircraft will be in two existing Bellman Hangars.

The Committee concluded that the proposed scope of the works can be justified as being consistent with the functional requirements for squadron facilities.

The Committee also concluded that design features to be adopted are consistent with functional requirements and recognise the need to comply with relevant standards and codes. The scope of the proposed works capitalises on the adaptive re-use of existing hangars.

A Master Plan has been developed for the future development of RAAF Base Amberley with which the proposed works are consistent. Careful phasing of the works will minimise disruption to the continued operation of No 6 Squadron during construction.

On the basis of evidence received, the Committee has therefore recommended that the development of facilities for No 6 Squadron at RAAF Base Amberley should proceed.

I commend the report to the Senate.

Debate adjourned.

Foreign Affairs, Defence and Trade References Committee

Documents

Senator CONROY (Victoria)—At the request of Senator Forshaw I present the submissions received by the Foreign Affairs, Defence and Trade References Committee during its inquiry into the role and future of Radio Australia and Australian Television.

Senators' Interests Committee

Documents

Senator CONROY (Victoria)—At the request of Senator Denman I present the Register of Senators' Interests incorporating declarations of interests and notifications of alterations by senators of interests lodged between 7 December 1996 and 6 June 1997.

BUDGET 1996-97

Consideration of Appropriation Bills by Legislation Committee

Additional Information

Senator O'CHEE (Queensland)—On behalf of Senator Tierney, I present additional information received by the Employment, Education and Training Legislation Committee in response to the 1996-97 additional estimates hearings.

COMMITTEES

Foreign Affairs, Defence and Trade Committee: Joint

Report

Senator MacGIBBON (Queensland)—On behalf of the Joint Committee on Foreign Affairs, Defence and Trade, I present the report entitled *Defence sub-committee visit to Exercise Tandem Thrust 97, 12-14 March 1997*, together with the minutes of proceed-

ings. I seek leave to move a motion in relation to this report.

Leave granted.

Senator MacGIBBON—I move:

That the Senate take note of the report.

Senator MacGIBBON—I seek leave to incorporate my tabling statement and to continue my remarks later.

Leave granted.

The statement read as follows—

Exercise Tandem Thrust was conducted in the first months of this year, culminating in March in a combined field training exercise off the Queensland coast, and in the Shoalwater Bay Training Area, near Rockhampton. Unlike many previous major defence exercises hosted by the ADF, which involve the forces of several regional nations, Exercise Tandem Thrust was a bilateral exercise, involving only Australian and US forces.

This was a major exercise from an ADF perspective, involving direct participation by over 21,000 US personnel, almost 6,000 ADF members, 43 naval vessels and over 200 aircraft. Exercises of this nature, and on this scale, are an important way to confirm and practice interoperability of forces and planning staffs with our most important ally, the United States, in a joint and combined military environment. This exercise was noteworthy because it was the first truly combined, all-environment, strategic-level activity that had been conducted between the forces of the two nations since World War II. That is, it provided the opportunity for senior Australian Defence staff to participate in strategic planning on an equal basis, rather than taking a role subordinate to a US command structure.

Beyond the aim of exercising ADF capabilities, Tandem Thrust served also as a reaffirmation of our continued friendship and alliance with the United States. It followed current Government policy in supporting US strategic engagement and activities in the region, which in turn contributes towards regional security. In this respect, Exercise Tandem Thrust was an important outcome of the AUSMIN talks held in July last year, between the Minister for Defence, the Minister for Foreign Affairs, and the US Secretary of State and Secretary of Defense. One outcome of those talks, the Joint Security Declaration (also known as the Sydney Statement), saw Tandem Thrust as a major step towards the ADF/US Pacific Command vision for future combined operations.

Clearly, one of the key outcomes of such a major exercise must be to test our military interoperability with the US, as our most powerful and important ally. However, a significant concern identified during the Sub-Committee's visit was that the ADF currently lags the US military in the fields of communications and information systems. The Sub-Committee was shown a number of innovative software applications, and communications systems used in the field by the ADF. Of themselves, these were encouraging. However, as the US military aggressively develops its capabilities in these areas, there exists an incipient danger of our defence forces falling further behind, to a level where we may be unable to interconnect with US systems. A defence force which cannot interconnect with the essential operational systems of its allies, in order to produce a seamless network, is liable to be at a significant disadvantage in the likely information-intensive operations of future conflicts. I commend close attention to this field, as I believe that this area should be afforded priority in ADF force development.

The Sub-Committee also observed other aspects of the exercise which were a source of some concern. Prime amongst these was that the exercise was structured to meet US training requirements, rather than those of the ADF. Given the preponderance of US forces in the exercise, and the need to attract US participation in initiating the Tandem Thrust exercise series, this deficiency is understandable. However, in later exercises of this series, I would like to see Australian training requirements given primacy, and planning done around a scenario more in keeping with requirements for the defence of Australia.

The weather, as always, is one of the exigencies with which a military must deal, and this exercise provided ample demonstration of that truism. The maritime forces were hampered and delayed by the encroachment of tropical cyclone Justin, and various aspects of the exercise were forced to be postponed, modified, or deleted from the exercise plan. This should not be viewed as a failure of either the exercise planning or the forces involved. The senior personnel with whom we spoke viewed this apparent hitch quite positively, pointing out that it necessitated exercise of a considerable degree of flexibility on the part of the planning staffs involved, and effectively simulated one aspect of the 'fog of war' with which military forces would have to contend in a situation of genuine conflict.

My comments on Tandem Thrust would be incomplete if I did not mention environmental issues, as these matters were accorded considerable attention by the media in the weeks preceding the field training phase of the exercise. This was in part because the exercise was conducted in Shoalwater Bay Training Area, which overlaps in some areas the Great Barrier Reef Marine Park. I must commend the planning staffs of both the Australian and US militaries in their planning to address these

concerns. A combined monitoring team was established to ensure that environmental concerns could be treated sympathetically, while still achieving the realistic training objectives intended. Briefing of the personnel involved on their environmental responsibilities was reportedly comprehensive. The Sub-Committee viewed several examples during their visit where military procedures were modified to ensure compliance with environmental restrictions, yet these adjustments did not seem to detract from the overall conduct and training value resulting from the exercise. This impression was confirmed in briefings from the Commander of the Exercise Control Group, Rear Admiral Kenneth Fisher of the US Navy. It is worthy of note that these two aspects—environmental restrictions and exercise requirements—are not incompatible, and I congratulate those involved for their sympathetic treatment to achieve a satisfactory outcome. I don't want to create the impression that the Australian Defence Force are newcomers with respect to environmental concerns. They have always recognised that Training areas are a finite and valuable asset. Since the end of the Second World War, the ADF have been ahead of the community in managing the preservation of their training areas.

Finally, the Sub-Committee's visit provided an excellent opportunity to meet and speak with members of the ADF operating in the field, and we were impressed by the enthusiasm and level of innovation shown by those personnel we met. We viewed the ease with which the forces of both countries were able to integrate, from high level command appointments down to the soldier in the field, operating in a combined environment with their counterparts in the US Marine Corps and US Army. I believe that the exercise was worthwhile and successful at all levels, as was the visit by the Defence Sub-Committee. I would like to thank the Minister for Defence and the military and civilian personnel of the Australian Defence Force, who assisted in ensuring the success of the Sub-Committee's visit to Exercise Tandem Thrust 97.

Debate adjourned.

Electoral Matters Committee

Report

Senator CONROY (Victoria)—On behalf of the Joint Standing Committee on Electoral Matters, I present its report on an inquiry into the conduct of the 1996 federal election and matters related thereto, together with extracts of minutes and the transcript of evidence.

Ordered that the report be printed.

Senator CONROY—I seek leave to move a motion in relation to the report.

Leave granted.

Senator CONROY—I move:

That the Senate take note of the report.

Senator CONROY—I seek leave to speak briefly to the report.

The ACTING DEPUTY PRESIDENT—I am afraid that the time for the consideration of reports has expired. Do you want to seek leave to incorporate your tabling statement and to continue your remarks?

Senator CONROY—I have not got a tabling statement. I was just going to speak to the report. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Public Accounts Committee

Reports: Responses

Senator O'CHEE (Queensland)—On behalf of Senator Gibson and the Joint Committee of Public Accounts, I present Finance minutes in response to reports nos 338, 341, 342, 344 and 345 of the committee. I seek leave to move a motion in relation to the documents.

Leave granted.

Senator O'CHEE—I thank the Senate. I move:

That the Senate take note of the documents.

I seek leave to continue my remarks later.

Leave granted debate; adjourned.

Native Title Committee

Report

Senator O'CHEE (Queensland)—On behalf of Senator Abetz, I present the eighth report of the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund entitled *Annual Reports for 1995-96, prepared pursuant to part 4A of the Aboriginal and Torres Strait Islander Commission Act 1989*, together with submissions and transcript of evidence.

Ordered that the report be printed.

Senator O'CHEE—I seek leave to move a motion in relation to the report.

Leave granted.

Senator O'CHEE—I move:

That the Senate take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

PARLIAMENTARY DELEGATION TO THE 97TH INTER-PARLIAMENTARY CONFERENCE

Senator O'CHEE (Queensland)—On behalf of Senator Watson, I seek leave to table the report of the Australian Parliamentary Delegation to the 97th Inter-Parliamentary Conference.

Leave granted.

Senator O'CHEE—I thank the Senate. I present the report of the Australian Parliamentary Delegation to the 97th Inter-Parliamentary Conference held in Seoul and a bilateral visit to Japan which took place during April 1997.

TAXATION LAWS AMENDMENT BILL (No. 3) 1997

Report of Economics Legislation Committee

Senator O'CHEE (Queensland)—On behalf of Senator Ferguson, I present the report of the Economics Legislation Committee on the provisions of schedule 11 of the Taxation Laws Amendment Bill (No.3) 1997, together with the submissions received by the committee.

Ordered that the report be printed.

COMMITTEES

Native Title Committee

Report

Senator O'CHEE (Queensland)—On behalf of Senator Abetz, I present the ninth report of the Parliamentary Joint Committee on Native Title and Aboriginal and Torres Strait Islander Land Fund entitled: *National Native Title Tribunal Annual Report 1995-96*, together with submissions and transcript of evidence.

Ordered that the report be printed.

Senator O'CHEE—I seek leave to move a motion in relation to the report.

Leave granted.

Senator O'CHEE—I move:

That the Senate take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

ASSENT TO LAWS

Messages from His Excellency the Governor-General were reported informing the Senate that His Excellency had, in the name of Her Majesty, assented to the following laws:

Medicare Levy Amendment Bill (No. 2) 1996

Export Finance and Insurance Corporation Amendment Bill 1997

Education Legislation Amendment Bill 1997

AIDC Sale Bill 1997

Superannuation Contributions Tax (Application to the Commonwealth) Bill 1997

Superannuation Contributions Tax (Application to the Commonwealth—Reduction of Benefits) Bill 1997

Superannuation Contributions Tax (Assessment and Collection) Bill 1997

Superannuation Contributions Tax (Consequential Amendments) Bill 1997

Superannuation Contributions Tax Imposition Bill 1997

Termination Payments Tax (Assessment and Collection) Bill 1997

Termination Payments Tax Imposition Bill 1997

INDUSTRIAL CHEMICALS (NOTIFICATION AND ASSESSMENT) AMENDMENT BILL 1997

INDUSTRIAL CHEMICALS (REGISTRATION CHARGE—EXCISE) BILL 1997

INDUSTRIAL CHEMICALS (REGISTRATION CHARGE—CUSTOMS) BILL 1997

INDUSTRIAL CHEMICALS (REGISTRATION CHARGE—GENERAL) BILL 1997

First Reading

Bills received from the House of Representatives.

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

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

Bills read a first time.

Second Reading

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (5.12 p.m.)—I table a revised explanatory memorandum relating to the Industrial Chemicals (Notification and Assessment) Amendment Bill 1997 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

INDUSTRIAL CHEMICALS (NOTIFICATION AND ASSESSMENT) AMENDMENT BILL 1997

The National Industrial Chemicals Notification and Assessment Scheme (NICNAS) was established under the Industrial Chemicals (Notification and Assessment) Act 1989 to assess the health and environment risks of all new industrial chemicals and selected existing chemicals.

All new industrial chemicals are assessed before their importation or manufacture so that recommendations about appropriate safeguards can be made before their use. Chemicals already in use and causing concern can be selected for assessment as priority existing chemicals. In total over 700 industrial chemicals have been assessed in the six years NICNAS has been in operation.

NICNAS has operated on partial cost recovery since its inception. This bill (and its cognate bills) will move NICNAS to full cost recovery consistent with other Commonwealth chemical assessment schemes. Currently, costs are recovered by a system of application fees for the assessments carried out. This has worked well for new chemicals.

On the other hand, the current scheme for existing chemicals does not result in costs being shared fairly in the industry and has been described in a 1995 review as "virtually unworkable".

To rectify this problem, the bill will implement a system of"company registration" to replace the current fee collection mechanism for existing chemicals. The bill establishes a new register, called the Register of Industrial Chemical Introducers. All persons who introduce industrial chemicals with a total value of more than $0.5 million will be required to register and pay a registration charge.

"Company registration" was first proposed by the previous government in 1995. Following extensive consultation with industry, we have refined the scheme to minimise its impact on business. A two-tier system of registration charges will apply.

The $0.5 million initial registration threshold will ensure that small business will not be affected. For companies introducing chemicals with a value of more than $0. 5 million but less than $5 million, a maximum annual charge of $1,200 will be payable. However, for companies introducing chemicals to the value of $5 million or more a year, a higher annual charge will apply. This will not exceed $7,000. Based on available data, it is estimated that approximately 600 companies will pay the lower charge and 190 will pay the higher charge.

Company registration will enhance the operation of NICNAS by overcoming problems in the current cost recovery mechanism for existing chemicals. Costs will be shared more widely in the industry. Registration will also facilitate the operation of NICNAS by improving knowledge about the companies introducing chemicals in Australia. The government will review the new cost recovery arrangements in 3 years time.

More effective and efficient cost recovery will also improve the assessment of existing industrial chemicals. The bill introduces a framework for better targeting of assessments to the specific risks posed by particular chemicals and allowing for a group of chemicals to be assessed together. A three year program of existing chemical assessments will be developed in consultation with industry, participating agencies and other stakeholders. The program will be consistent with national priorities and needs, tailored to concerns and will make maximum use of appropriate assessment information from overseas. Based on anticipated revenue from the registration charge, about ten comprehensive assessments and 40 more limited targeted assessments would be completed every three years.

The bill also makes important changes to the Australian Inventory of Chemical Substances (the Inventory). The Inventory lists of all chemicals imported or manufactured in Australia since 1977. Persons introducing a new chemical can apply for the chemical to be included in the confidential section of the Inventory if publication of the chemical' s particulars would be commercially damaging. The current arrangements which automatically cancel any confidentiality after 6 years have the difficulty that they may discourage overseas manufacturers from making new chemicals available in Australia.

The amendments allow the continued listing of chemicals in the confidential section subject to review every 5 years. The test for inclusion in the confidential section has been strengthened. Currently, only the prejudice to the commercial interest of the person or company is considered . This will be changed to require the Director to balance that prejudice against the public interest in disclosure.

Measures to streamline the assessment of new industrial chemicals are necessary to secure the

benefits of new chemicals quickly without unnecessary assessment. The bill proposes new limited exemptions from notification and assessment for research and development chemicals and for chemicals introduced in quantities of less than 10 kilogram per year where the chemical poses no unreasonable risk to human health or to the environment. These changes are consistent with developments in schemes operated by our major trading partners and are justified by assessment experience.

In addition, a new form of permit will be established to allow the introduction of certain non-hazardous chemicals before the assessment of the chemical by NICNAS is finalised. This amendment will facilitate the early introduction of new chemicals to replace older more hazardous ones.

To increase accountability for the management of NICNAS on full cost recovery, I propose to establish a non-statutory Industry Consultative Committee. This will review and report to the minister on the use of resources and recommend future improvements to NICNAS operations.

The bill also makes minor amendments to improve the operation of the act, including by updating certain definitions.

In summary, this bill (like the cognate bills) is aimed at further enhancing the operation of NICNAS by introducing full cost recovery, and streamlining assessment procedures particularly for new chemicals introduced in very low quantities and for non-hazardous chemicals. Greater flexibility in the assessment of existing chemicals is proposed so that they are directed to areas of concern. The changes are consistent with the recommendations of the 1995 Gwynne Report which considered the implications of full cost recovery for NICNAS. As a result of these reforms, assessments under NICNAS will be able to focus more on the chemicals posing the greatest risks to the Australian people and the environment.

I commend the bill to the Senate.

INDUSTRIAL CHEMICALS (REGISTRATION CHARGE—EXCISE) BILL 1997

This bill is one of a package of 4 bills which will introduce a registration charge to fund the assessment of existing chemicals by the National Industrial Chemicals Notification and Assessment Scheme under the Industrial Chemicals (Notification and Assessment) Act 1989.

This bill will impose a charge on the manufacture of certain industrial chemicals.

I present the explanatory memorandum to the bill and commend the bill to the Senate.

INDUSTRIAL CHEMICALS (REGISTRATION CHARGE—CUSTOMS) BILL 1997

This bill is one of a package of 4 bills which will introduce a registration charge to fund the assessment of existing chemicals by the National Industrial Chemicals Notification and Assessment Scheme under the Industrial Chemicals (Notification and Assessment) Act 1989.

This bill will impose a charge on the importation into Australia of certain industrial chemicals.

I present the explanatory memorandum to the bill and commend the bill to the Senate.

INDUSTRIAL CHEMICALS (REGISTRATION CHARGE—GENERAL) BILL 1997

This bill is one of a package of 4 bills which will introduce a registration charge to fund the assessment of existing chemicals by the National Industrial Chemicals Notification and Assessment Scheme under the Industrial Chemicals (Notification and Assessment) Act 1989.

This bill will impose a charge on the manufacture of or importation into Australia of certain industrial chemicals to the extent that the charge is not a duty of customs or excise.

I present the explanatory memorandum to the bill and commend the bill to the Senate.

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

TAXATION LAWS AMENDMENT BILL (No. 2) 1997

SOCIAL SECURITY LEGISLATION AMENDMENT (ACTIVITY TEST PENALTY PERIODS) BILL 1997

PRIMARY INDUSTRIES AND ENERGY LEGISLATION AMENDMENT BILL (No. 2) 1997

INDUSTRY, SCIENCE AND TOURISM LEGISLATION AMENDMENT BILL 1997

VETERANS' AFFAIRS LEGISLATION AMENDMENT (BUDGET AND SIMPLIFICATION MEASURES) BILL 1997

AGED CARE BILL 1997

First Reading

Bills received from the House of Representatives.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer)—I indicate to the Senate that those bills which have just been announced by the President are being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the *Notice Paper*. I move:

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

Question resolved in the affirmative.

Bills read a first time.

Second Reading

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (5.15 p.m.)—I table a revised explanatory memorandum relating to the Taxation Laws Amendment Bill (No. 2) 1997, the Social Security Legislation Amendment (Activity Test Penalty Periods) Bill 1997, the Veterans' Affairs Legislation Amendment (Budget and Simplification Measurers) Bill 1997 and the Aged Care Bill 1997 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

TAXATION LAWS AMENDMENT BILL (No. 2) 1997

The bill amends the taxation laws to give effect to a number of 1996-97 budget measures designed to prevent tax avoidance and address abuse of certain tax provisions and anomalies in the tax law.

The bill also amends the interest withholding tax provisions, as announced by the Treasurer in June 1996, in an effort to inject further competition into the Australian financial market and, in particular, the home lending market and update the provisions to reflect current overseas financial arrangements.

Amendments related to net capital losses

The bill will amend the income tax law to rectify anomalies in the capital gains tax provisions dealing with the carry forward and transfer of net capital losses. These measures were announced in the 1996-97 Budget.

Under the existing capital gains tax provisions, taxpayers are able to carry forward net capital losses into a later year of income for recoupment against future capital gains which, as with the carry forward of revenue losses, is subject to a number of recoupment tests. These tests prevent capital losses incurred by a company from being recouped where there has been a substantial change in the beneficial ownership of the company since the losses were incurred and the company does not carry on the same business.

However, the existing capital gains tax provisions operate so that taxpayers who carry forward net capital losses into subsequent years are taken to reincur those losses in each subsequent year.

The effect of this anomaly is that the recoupment tests for company taxpayers do not achieve their intended purpose. That is, a capital loss is able to be recouped even where beneficial ownership of a company has changed substantially since the loss was incurred and the company does not carry on the same business.

This defect flows through to the provisions permitting the transfer of net capital losses between resident companies within the same 100 per cent owned group. A further defect is that, in certain circumstances, the recoupment tests applying to the transferee company are less stringent than those applying to the transferor company. This contrasts with the revenue loss transfer provisions which require both companies to satisfy the same recoupment tests.

The proposed amendments will ensure that net capital losses attach to the year of income in which they are incurred and are recouped or transferred within a company group in the order in which they were incurred. In addition, where a net capital loss is transferred within a company group, the transferee company will be required to satisfy the same recoupment tests for example, the continuity of ownership test or the same business test that apply to the transferor company.

Withholding tax avoidance

As part of the 1996-97 budget, the Treasurer announced that the general anti-avoidance provisions, Part IVA of the Income Tax Assessment Act, were to be extended so that they can apply to non-resident interest, dividend and royalty withholding tax in order to provide a mechanism to effectively counter withholding tax avoidance schemes. Four other specific amendments were also announced which will further assist in preventing abuse of the withholding tax provisions.

The measures do not reflect any change in the government's policy on withholding taxes and are intended to give effect to existing policy by addressing tax avoidance.

When the Bill was originally introduced into the House of Representatives, however, some concern was expressed by the Banking and Finance industry that the proposed definition of interest could impact on certain financial products which are not current-

ly subject to withholding tax such as interest swapping arrangements where, for example, a floating rate of interest is swapped for a fixed interest rate in order to limit exposure to fluctuations in interest rates.

The Government has therefore amended the definition of interest and this Bill now more accurately targets avoidance arrangements. The industry has since indicated that the amendments address their concerns and have in general welcomed the Government's initiatives to extend the anti-avoidance measures to withholding tax.

Dual resident companies

The bill will amend the income tax law to provide that certain dual resident companies which are in substance non-residents cannot take advantage of their dual resident status for the purposes of the operation of specific tax concessions and anti-avoidance measures at a significant cost to the revenue.

Removal of standard superannuation contribution limit

The bill removes the option for employers with 10 or more employees to elect to calculate the maximum deduction they can claim for superannuation contributions made for the benefit of their employees by reference to a standard contribution limit. All employers will be required to determine the maximum amount of allowable deductions for superannuation contributions based on the ages of individual employees.

The standard contribution limit was introduced for reasons of administrative simplicity. However, the standard contribution limit has been subject to abuse with some employers claiming deductions for contributions on behalf of particular employees well in excess of the age based limits. The abuse has come at a cost to revenue and the government believes that the standard contribution limit can no longer be justified.

Leases of luxury cars

Another measure in the bill relates to the taxation treatment of leases of luxury cars. The cost limit for depreciation of luxury cars that was first enacted in 1980 has been effectively circumvented by leasing arrangements under which the lessor is largely unaffected by the limit. A common avoidance technique is to ensure that the lessor is a tax exempt or other tax preferred entity such as a loss trust.

The new measures will treat leases of luxury cars in much the same way as other forms of vehicle finance. The lessor will be treated as having disposed of the car to the lessee at the beginning of the lease and having lent the lessee the money to buy the car. The lessor will be taxed only on the finance charge component of the notional loan to the lessee, but not on the actual lease payments.

If the lessee uses the car for income producing purposes, the lessee will be entitled to deduct an appropriate proportion of the finance charge component. No deduction will be allowed for actual lease payments, but the lessee will be treated as the car owner entitled to taxation depreciation allowances. The amount of depreciation allowed will be reduced under the depreciation cost limit rules.

Interest withholding tax and related provisions

The bill will implement the Government's commitment to amend the section 128F interest withholding tax exemption to increase competition in the Australian financial market. The end use in an Australian business requirement in the existing section 128F will be removed. The requirement that the debentures issued by an Australian company must be widely distributed on overseas capital markets will be replaced by a public offer test. This amendment will extend the exemption to borrowings in offshore wholesale capital markets. Division 11 of the Income Tax Assessment Act 1936 will be amended to exclude its application to interest paid offshore in respect of bearer debentures which are issued offshore. The interest on such debentures will be subject to interest withholding tax. Division 11 will also be amended to provide an exemption for bearer debentures issued by an offshore banking unit. The interest withholding tax collection provisions will be amended to ensure that they are consistent with the royalty withholding tax procedures.

Full details of the measures in the bill are contained in the explanatory memorandum circulated to honourable senators.

I commend the bill to the Senate.

SOCIAL SECURITY LEGISLATION AMENDMENT (ACTIVITY TEST PENALTY PERIODS) BILL 1997

This bill introduces changes to penalties which are applied where recipients of newstart allowance or youth training allowance do not meet their obligations under the activity test provisions of the Social Security Act 1991 or the Student and Youth Assistance Act 1973.

In its first budget, the Government announced a range of measures to tighten the administration of the activity test applying to unemployment allowances. In doing so, the government met a specific coalition pre-election commitment. The range of measures announced, most of which have already been introduced, received considerable support within the community.

The government considers that a rigorous application of activity test requirements is important to maintain community support for, and confidence in,

the system of unemployment payments. It also sustains active job search which should improve employment outcomes for people receiving unemployment allowances and contributes to the efficiency of the labour market.

This approach is supported by Australian and international economic research which points to the importance of maintaining strong job search requirements as part of an efficient system of unemployment allowances. For instance, the OECD Job Study concluded that "A priori reasoning and historical evidence both suggest that if benefit administration can be kept tight, the potential disincentive effects of benefit entitlement will be largely contained". The previous government's own Committee on Employment Opportunities discussion paper titled "Restoring Full Employment" also concluded that "any impact of the income support system on long term unemployment is likely to be minimised when the administration of income support, and in particular the activity test, is tights".

In developing the package of measures to improve the administration of the activity test, the government recognised the need to change the current regime of penalties applying to those who breach their activity test obligations.

The current penalty arrangements are too complicated. Penalties can vary according to unemployment duration and previous breach history. Unemployed people do not know what penalty might apply to them and even DSS and CES staff have difficulty working them out. For such penalties to act as an effective deterrent to non compliance, they need to be known and understood by unemployed people.

The government, therefore, proposed changes late last year in the Social Security Legislation Amendment (Budget and Other Measures) Bill 1996 to simplify penalty arrangements, strengthening their deterrence effect while removing some features which have been criticised as particularly harsh and unfair such as increasing the penalties the longer a person had been unemployed and allowing the penalty period to increase indefinitely.

Community views were heard around this time encouraging the Parliament to amend the existing and proposed activity test penalties from a complete withdrawal of payment to a limited rate reduction. The government had already moved to convert administrative breach penalties to rate reductions rather than full withdrawal of payment. The Minister for Social Security agreed to withdraw the proposed changes to activity test changes and consult further prior to introducing a revised approach.

Under the provisions of this bill, penalties for breaches of activity test requirements will be as follows:

. for a first breach within any two year period an 18% reduction in the rate of allowance for a period of 26 weeks;
. for a second breach with any two year period a 24% reduction in the rate of allowance for a period of 26 weeks; and
. for a third or subsequent breach within any two year period, withdrawal of payment for 8 weeks.

Given that the penalty arrangements are changing significantly, to avoid any element of retrospectivity and so that all unemployed people will know exactly where they stand, any breach occurring after the commencement of this bill will count as a first breach.

The bill will also provide that penalties and waiting periods for payment will be served concurrently with the higher penalty taking precedence. At present, such penalties and waiting periods must be served consecutively.

The government considers that it is necessary to maintain a non payment penalty for a third or subsequent breach within two years. To simply allow a further rate reduction would allow someone to continue to receive unemployment allowances (albeit at a reduced rate) indefinitely even though they continually refused to meet their reasonable and legitimate obligations.

The new approach to activity test penalties provided for in this bill has been developed to take full account of the concerns about the current penalty arrangements and after consultation with community welfare groups. It is an approach which is fair, eliminating the worst and most complex features of the current arrangements but still meeting the government's objective to maintain a strong deterrence for failure to meet reasonable requirements.

I commend the bill to the Senate and present the Explanatory Memorandum.

PRIMARY INDUSTRIES AND ENERGY LEGISLATION AMENDMENT BILL (No. 2) 1997

The purpose of this bill is to introduce amendments to the Australian Horticultural Corporation Act 1987, the Export Control Act 1982, the Farm Household Support Act 1992, the Imported Food Control Act 1992, the Moomba-Sydney Pipeline System Sale Act 1994, the Petroleum (Submerged Lands) Act 1967, the Quarantine Act 1908, the Sea Installations Act 1987 and the Social Security Act 1991.

The Australian Horticultural Corporation Act 1987 (AHC Act) specifies that the Australian Horticultural Corporation (AHC) consists of a chairperson, a government member, a managing director and six other members. The AHC has requested that the number of 'other members' be reduced to four and

the horticultural industries participating in the AHC by way of statutory levy have supported the AHC's request. The AHC has put forward this proposal as part of a package of proposals designed to reduce AHC overheads and reduce the cost of participation, for horticultural industries, in the AHC.

This bill gives effect to the AHC's proposal by amending the AHC act to reduce the number of 'other members' on the AHC from six to four. The number of members required for a quorum will also be reduced from five to four.

The amendments to sections 23, 24A and 24B of the Export Control Act 1982 are to allow the Australian Quarantine and Inspection Service (AQIS) to confirm that Australia's export control legislation provides appropriate coverage to contemporary administrative arrangements.

Under current export inspection arrangements there is a strong move for exporters to assume more responsibility for the quality of their product under AQIS supervised and approved quality systems. Amendments proposed to section 23 of the act will allow the secretary of the Department of Primary Industries and Energy to appoint suitably qualified persons to issue a limited range of certificates required to facilitate the export of prescribed goods from Australia. This proposal will extend the certification power exercised by authorised officers, generally AQIS inspection staff, to qualified on-site staff who will certify that goods submitted for export were produced in accordance with an AQIS approved quality system. AQIS inspection staff will continue to be responsible for country to country certification required for the export of prescribed goods from Australia.

Sections 24A and 24B of the act were inserted in 1990 to protect the integrity of new electronic documentation systems which were to be introduced by AQIS to facilitate the application process for export permits. Given the flexibility that new technology has been able to offer AQIS in the implementation and upgrading of these systems, it has now become necessary to amend the specifications governing the communication between AQIS and users of the electronic data system. Many players in the meat export industry, for example, are responsible to some degree for the entering and transmission of data into electronic documents, which will eventually be sent to AQIS as requests for export permits, these players include registered processing establishments, brokers, exporters, cold store operators and AQIS authorised officers. The proposed amendments to sections 24A and 24B provide the appropriate coverage for control over such electronic transmissions.

The proposed amendments to the Social Security Act 1991 will allow recovery of drought relief payments (DRP) overpayments through a range of mechanisms that currently apply to specific social security payments (not including DRP).

The Farm Household Support Act 1992 provides for overpayments of DRP to be recovered as a debt due to the Commonwealth, but it does not specify the means by which these debts may be recovered. This amendment will provide the mechanisms by which DRP debts can be recovered, thereby maintaining equity with other social security payments such as Newstart allowance.

The recovery mechanisms that will be made available include deductions from the DRP, deductions from a social security payment, legal proceedings and garnishee notices.

This amendment to the Imported Food Control Act 1992 will allow the Governor-General to make regulations to exempt certain New Zealand food from the provisions of the imported food control act.

This will enable Australia to legally meet obligations under the Trans-Tasman Mutual Recognition Agreement (TTMRA) where food safety and food standards are considered equivalent.

Under this agreement, food imported from New Zealand will be treated as if produced here, and inspection will be at the market place rather than upon entry to Australia.

Passage of this amendment will enable regulations to be made to mirror the intention of the TTMRA.

The proposed exemption power applies only to the imported food control act. Australia's quarantine requirements are not affected.

Madam President, in 1994 the Commonwealth sold the pipeline authority's pipelines to East Australian Pipeline Ltd. That sale included provisions to make the Commonwealth and East Australian joint owners of the more than 1,000 easements covering the pipeline system.

Part of the sale agreement involved the Commonwealth entering into a contractual obligation to rectify any shortcomings in the existing pipeline easement corridor that might subsequently come to light and that were necessary for pipeline operations.

East Australian has identified a number of such easement requirements. Shortly after the sale, a misdescribed easement was also discovered in the schedule of those easements whose ownership had been transferred from the pipeline authority.

Unfortunately, the 1994 sale act did not provide a mechanism for dealing with easement description errors and the additional easement requirements the Commonwealth had contractually agreed to meet.

The amendments to the Moomba-Sydney Pipeline System Act 1994 will allow the Commonwealth to fulfil its contractual obligations in respect of such

easements. They will also enable it to deal with any similar easement problems that might in future come to light without recourse to further legislation.

In addition to allowing for easement adjustments, these amendments will also enable the Commonwealth to transfer to other parties ownership of its residual easement interests.

When the Moomba pipeline sale was being negotiated, transfer of all related easements was considered by the Commonwealth. However, a decision to retain for the time being joint easement ownership with East Australian was taken for two reasons.

In June 1994, the $200 million Moomba to Botany ethane pipeline project for ICI was still being developed. This pipeline required the use of the same easement corridor as the existing pipeline to Sydney. Further, the proponents of the eastern gas pipeline project to bring natural gas from Bass Strait to New South Wales markets had not yet settled a preferred pipeline route. One of the various options being canvassed involved making partial use of the existing Moomba-Sydney easement corridor.

In view of these circumstances, an ownership interest in the easements was maintained by the Commonwealth to ensure that easement access issues did not become an issue for either project.

Today ICI's ethane pipeline is built and operating, and the eastern gas pipeline project has selected a route well to the east of the Moomba-Sydney pipeline corridor. Since the sale, no other potential users of the easements have come to light.

Thus, there are now no foreseeable policy reasons for the Commonwealth to remain an easement owner indefinitely. However, continuing access rights to the easements for any new users that might emerge in the future can and would be secured as a condition of any divestiture by the Commonwealth of its easements.

Given these changed circumstances, it is prudent to provide the means for the Commonwealth to divest itself of its easements should an appropriate opportunity arise.

The amendments to the petroleum (Submerged lands) act will ensure that petroleum pipelines on the Australian continental shelf that carry petroleum from a source outside Australian waters come within the scope of the Petroleum (Submerged Lands) Act 1967. This will facilitate projects such as the proposed gas pipeline from Papua New Guinea to North Queensland, and the proposed gas pipeline from the Timor Gap zone of co-operation to Darwin.

The amendments will also ensure that any changes to the territorial sea baselines do not impact on any offshore petroleum pipeline licences granted under Commonwealth jurisdiction. This will give certainty to holders of offshore pipeline licences if changes to baselines occur. Similar amendments relating to petroleum exploration permits, production licences and retention leases will be introduced after necessary consultation with the states and the Northern Territory is concluded. Under the provisions of the offshore constitutional settlement, states and the Northern Territory are expected to mirror these amendments in their offshore petroleum legislation.

This bill has been drafted to ensure that the Petroleum (Submerged Lands) Act 1967 remains consistent with Australia's international obligations namely:

The 1982 United Nations convention on the law of the sea.

The treaty between Australia and the independent state of Papua New Guinea concerning sovereignty and maritime boundaries in the area between the two countries, including the area known as Torres Strait, and related matters

The treaty between Australia and the Republic of Indonesia on the zone of co-operation in an area between the Indonesian province of East Timor and northern Australia.

The recently signed maritime boundary treaty between Australia and Indonesia, once that treaty is ratified.

The amendment to the Sea Installations Act 1987 is a consequential amendment to exempt offshore petroleum pipelines from the operation of that act where those pipelines are required to be licensed under the provisions of the Petroleum (Submerged Lands) Act 1967. This will ensure that all Commonwealth offshore petroleum pipelines are covered by the same legislation and will prevent overlapping jurisdictions.

The changes proposed to the Quarantine Act 1908 are intended to clarify and confirm the legislative basis for contemporary quarantine practices.

As the Prime Minister stated in his ministerial statement to the parliament of 3 March, on Australia's ocean policy, we are facing an increasing problem controlling foreign marine organisms introduced into Australian coastal waters and ports, attached to ships hulls or in ballast water on ships.

A provision of this bill seeks to confirm the importance of the requirements for the proper cleansing of ships and ballast water before these vessels enter Australian ports, subject to proper maritime safety measures. The bill also clarifies the requirement to make available samples of ballast water for testing and examination. The penalty for failing to comply with orders about the cleaning processes ($50,000 for an individual, $250,000 for

a corporation) is a clear statement of the government's strong commitment to encourage responsible compliance to protect our coastal environment.

Another focus of the bill is to have appropriate legislative authority to support the quarantine proclamations and regulations. Within my department significant effort has been directed to the revision and consolidation of the delegated legislation in order to have effective and efficient administration systems to meet Australia's contemporary quarantine needs. The recently presented Nairn report on the Australian quarantine review noted the work in progress on updating the quarantine proclamations and regulations and recommended that it be expedited. It is my intention to submit the updated proclamations and regulations to the executive council after these amendments have been considered by parliament.

I would like to emphasise that these amendments reflect only one recommendation (of a total of 109) made in the Nairn report. As Nairn has recommended, this matter is being dealt with promptly. The government is still considering the other recommendations of the Nairn report and its comprehensive response to the report will be issued in due course.

I commend the bill to honourable senators.

INDUSTRY, SCIENCE AND TOURISM LEGISLATION AMENDMENT BILL 1997

This bill amends a number of acts administered by the Industry, Science and Tourism portfolio.

The amendment to the Australian Science and Technology Council Act 1978 implements the government's election commitment to add the field of engineering to the Australian Science and Technology Council's range of responsibilities. To reflect the Council's additional functions this bill will change the name of the Council to the Australian Science, Technology and Engineering Council. Selection of this name will have the added benefit of avoiding a change to the acronym ASTEC, which already enjoys widespread recognition both within Australia and overseas.

In addition, the procedure for making appointments to the Council will be made more efficient. The previous arrangement of requiring appointments by the Governor General was overly time consuming and complex. Appointments to the Council will now be made by the responsible minister, with the approval of the Prime Minister. No loss of status is implied.

The amendment to the National Measurement Act 1960 requires the Commonwealth Science and Industrial Research Organisation, CSIRO, to maintain Coordinated Universal Time, UTC, enabling the legal traceability of time signals from radio stations, from the Global Positioning System, GPS, or from other sources to be established. These signals are currently used in surveying, communications, aviation and shipping navigation. This amendment will ensure that measurements are made on a consistent basis throughout the nation and are compatible with measurements in other countries. Responsibility for maintaining UTC is to rest with CSIRO.

The repeal of the section 9AB of the Science and Industry Research Act 1949 will reflect the new framework developed by the Review of CSIRO's Management Structure and Performance. The repeal of the section will remove the old CSIRO research management structure under which CSIRO's research divisions were grouped into Institutes. The repeal will enable a new research management system that clearly refocusses research delivery activities on identified industry, economic or national benefit sectors and enables CSIRO's various research divisions to work in full alliance, free of the limiting rigidities of the Institute structure as identified during the CSIRO review.

The amendments to the Australian Tourist Commission Act 1987 repeal two subsections of the act.

The repeal of subsection 14(3) addresses an administrative oversight concerning the retirement age of appointed Australian Tourist Commission Board members. The Arts, Sport, the Environment, Tourism and Territories Legislation Amendment Bill (No.2) 1991 was intended to remove age restrictions for the appointment and the continuation of appointment, of non-executive statutory office holders in the then Arts, Sport, the Environment, Tourism and Territories portfolio. However, while the subsection in the Australian Tourist Commission's legislation restricting the age of appointment for Board members was removed in 1991, subsection 14(3), which relates to the continuation of appointment after the age of 65, was overlooked. The proposed amendment removes this anomaly.

The repeal of subsection 42(3) of the Australian Tourist Commission Act 1987 will remove possible confusion relating to conditions of employment of Australian Tourist Commission officers. Subsection 42(3) currently provides that a person shall not be employed by the Board on terms and conditions more favourable than those applying to the Managing Director.

The business environment in which the Australian Tourist Commission operates has changed considerably since 1987 when this legislation was introduced. In some countries where the Australian Tourist Commission has overseas offices, the high cost of living has resulted in substantially higher wages in Australian dollar terms than those prevailing in Australia. The amendment will remove any anomaly, in relation to the conditions of employ-

ment for overseas staff, by removing the limitation preventing employment on terms and conditions more favourable than those of the Managing Director.

The bill repeals the Australian Tourist Commission (Transitional Provisions) Act 1987 because it no longer has any application. The purpose of this act was to protect contractual arrangements in place in 1987 when the Australian Tourist Commission Act 1987 came into effect. This is the usual practice when a statutory authority moves from the authority of one act to another. In this case one of the purposes was to enable the then Managing Director of the Australian Tourist Commission to continue in office in accordance with the terms and conditions of his original appointment.

The amendments to the Bounty (Machine Tools and Robots) Act 1985, Coal Tariff Legislation Amendment Act 1992, the Patents, Trade Marks, Designs and Copyright Act 1939, the Resource Assessment Commission Act 1989 and the Trade Marks Act 1995 relate to technical amendments to legislation, by way of clarifying commencement dates in an act, deletion of words no longer relevant and substitution with the correct words.

I commend the bill to the Senate.

VETERANS AFFAIRS LEGISLATION AMENDMENT (BUDGET AND SIMPLIFICATION MEASURES) BILL 1997

This bill completes the amendments to legislation that are needed to give effect to the government's 1996-97 budget for Veterans' Affairs.

This bill integrates into the Department of Social Security's family payments, the child related payments made to Veterans' Affairs' income support recipients.

From 1 January 1998, payees will have to deal with only one Commonwealth department to establish their entitlement to child related payments, as a result of the changes proposed in this bill.

It makes good sense to this government to ensure that people, who are receiving various means of income support, have to deal with only one department, as far as this is practical.

The integration of these child related payments will not reduce the total amount of Commonwealth payments made to the family unit.

Where a financial loss may occur, the payments will not be integrated. In these cases, while the payees are eligible to receive more than they could receive from the family payment, the child related payments will continue to be made by the Department of Veterans' Affairs.

One of the government's pre-election commitments to the veteran community was a 'plain English' version of the Veterans' Entitlements Act. I am pleased this bill introduces the first instalment of legislative change towards that goal.

The Veterans' Entitlements Act currently has six separate rate calculators, with nine separate method statements, to calculate the overall income support rate.

This bill tackles the duplication and complexity of the rate calculators by replacing them with a single rate calculator that uses just six rate calculation processes.

In effecting this reform, there will be some changes to correct minor technical deficiencies in some parts of the rate calculators.

These changes will have no adverse financial impact on any income support pensioner or payee.

This bill demonstrates that legislation, which delivers a wide range of compensation and income support benefits to a large disparate group of people, need not be complex and inaccessible.

The changes in this bill are positive reinforcements of this government's commitment to improved public administration through more efficient service delivery and through simplified rules that are easily understood by veterans and the wider community.

I commend the bill to the Senate.

AGED CARE BILL 1997

INTRODUCTION

As Australians we all believe that we should be able to maintain the same high standard of living that we have enjoyed throughout out lives, when we become older. The vision that this government has for older Australians is to build an aged care system that will maintain comfort and dignity in a way that is viable and sustainable. To build a safe and secure future.

I am very pleased today to introduce the Aged Care Bill 1997—a major piece of legislation that will guarantee these outcomes for older Australians. It will see the most significant reform of aged care services in Australia for over a decade. This legislation delivers on the government's 1996 Budget announcements and election commitments to build a secure future for older Australians in partnership with the aged care industry.

If we do not undertake reform now, older people will not face a secure future.

For example, many of our nursing homes do not provide accommodation that meets basic community expectations. Almost 40% of residents share a room of four or more beds—a situation that most Australians would consider unacceptable when talking about someone's home. A small but unacceptable proportion of homes do not even meet State fire and health regulations.

No older Australian should be expected to tolerate living conditions like this!

Providers are operating under an inefficient and outdated funding system that does not provide adequately for some groups, such as those with dementia. It forces people who enter hostels to move to a nursing home if their care needs increase—an unnecessary disruption that sometimes separates couples simply because their care needs are different.

There is unnecessary administrative red tape that nursing home proprietors have to contend with that deflects from the primary aim of the industry—to provide quality aged care services.

There are no incentives built into the current system to address these problems. The system is rigid in its application and outdated. It does not encourage flexibility or innovation. This situation does not lend itself to achieving the objectives this government wants for older Australians—the provision of quality aged care services that are accessible and affordable. Services that provide dignity and comfort.

If change does not happen now many more people will be affected in coming years given the expected growth in Australia's ageing population. In a little over 30 years, Australia's population of over 65s will increase by more than 50% to 5 million people.

This bill provides the path forward. It maintains what works well in the current system and makes improvements where we have learned from experience to ensure the provision of better care. It also makes clearer that for those permanently entering residential care this is their new hone. As the case is in society more broadly, there is an expectation that those who have an ability to provide for their accommodation costs should do so, and should make a contribution to care based on means.

It replaces the provisions in the National Health Act 1953 and the Aged or Disabled Persons Care Act 1954 under which nursing home and hostels are currently administered. Home and Community Care services are not covered by this bill as they are administered jointly by the States and the Commonwealth under the Home and Community Care Act.

However, the bill provides important links with the wider spectrum of care in the community. Together with the Home and Community Care program, older Australians are now able to access a wide range of services according to their needs and preferences, whether in their own home or in residential aged care.

The reforms contained within this bill have been developed in close consultation with industry and consumers to ensure that the system takes into account the realities of service delivery and, at the same time, provides high quality care for consumers.

This consultation process culminated in the release of an exposure draft of the bill for public comment in February. We received many comments and suggestions for making improvements. This government has listened to the suggestions made and refined the bill accordingly.

A UNIFIED RESIDENTIAL CARE SYSTEM

This bill recognises that over the last decade, services provided by nursing homes and hostels and the care needs of residents have become increasingly similar. Today, there is a significant overlap in the frailty of residents in the two systems.

There are funding gaps in the system through which some groups of older people slip. This is particularly the case for older people with dementia. It also includes people with high care needs in hostels who receive less in Commonwealth funding than people in nursing homes with similar care needs. This is an inequitable situation that must be addressed.

The dual nature of the classification and funding system currently used in nursing homes and hostels has perpetuated these problems.

This bill will align these classification and funding arrangements. This will overcome funding gaps and provide better assessment of the physical and mental frailty of all residents to ensure that residents are funded properly according to their care needs no matter where they are residing.

These changes will facilitate diversity and a broader range of care options for consumers. Whilst some facilities will continue to specialise in nursing home, hostel or dementia care, others will offer a broader range of services that allow residents to age in place as their care needs change.

These changes will mean certainty and security for older people.

To complement the alignment of funding and classification systems, there will be changes that will mean less unnecessary red tape for nursing home providers so that they can get on with the job of providing quality care. Changes to nursing home financial accountability will facilitate enterprise bargaining and workforce adjustment. This streamlined system will be similar to the way that hostels have operated successfully for many years with a focus on outcomes for residents rather than inputs.

INCOME TESTING

The second major reform contained in the bill is income testing of all people who receive residential care from the time the legislation comes into force.

This reform recognises that the provision of residential care is expensive—ranging from about 38 to 46 thousand dollars per year for someone in a nursing home depending on the level of care. Of this the Federal government contributes between 29 and 37 thousand dollars from taxpayer revenue.

These income testing provisions are similar to, and will replace, on commencement, the Aged Care Income Testing Bill 1997. This bill will allow income testing to begin prior to the commencement of the Aged Care Bill enabling people to be advised about their potential charges as much in advance as possible.

Income testing recognises that as the older population continues to increase over coming decades, this level of taxpayer support needs to be sustainable.

It is responsible reform.

Income testing is being undertaken by the Departments of Social Security and Veterans' Affairs using the current income assessments that are routinely carried out in determining entitlements to pensions and benefits.

The determination of income for people already in receipt of Social Security or Veterans' Affairs pensions or benefits will therefore be based on their existing available income information and they will not have to provide additional details. People will, however, be able to request a review of their determination if their circumstances have changed.

In addition, people who are not satisfied with decisions made about their income will have a right of appeal, first to the relevant Department and then to the Administrative Appeals Tribunal or Social Security Appeals Tribunal.

What will aged care recipients pay?

The reality of income testing is that only those who can afford to pay a little more and make a fair contribution will be asked to do so. Older people will not be asked to pay what they cannot afford for the residential aged care services they need.

Couples will have their income split for the purposes of income testing. They will not pay double because they are a couple!

Currently nursing home residents pay only a standard fee representing 87.5% of their pension towards their daily living costs. Hostel residents pay 'variable fees' which do not have an upper limit.

Under the new system all nursing home and hostel residents will pay a basic daily resident fee as they do now. This fee will be based on 85% of the pension. This will enable service providers to raise the same base fee from hostel residents as they do from nursing home residents.

The percentage of the pension that makes up the base fee has changed only because pensioner residents will no longer receive the Residential Care Allowance (formerly known as Rent Assistance) paid by DSS and DVA but will instead will be eligible for the 'pensioner supplement' paid to providers on their behalf.

Part pensioners and non-pensioners will pay an additional income tested fee of 25 cents for each dollar of private income above $50 a week or $88 combined for married couples.

However, there are limits to what a person can be asked to pay. The amount of fee that is payable by a resident will be capped so, regardless of how much a person's income is, they won't have to pay more than the maximum amount.

The alignment of fees may result in a small reduction in the amount of income that some hostel residents are left with after paying the base fee—around $5.50 per week. It will not be compulsory for hostels to charge a flat fee that would enable them to raise this additional amount.

RESIDENTIAL CARE ACCOMMODATION BONDS

The bill also embodies strategies that will bring about improvements to the unacceptably poor quality of many nursing home facilities. It encourages nursing homes to invest in lifting accommodation standards to a quality level that all older Australians can enjoy. To achieve this the bill extends to nursing homes the 'Entry Contribution' system that currently applies to people who enter hostel care.

'Entry Contributions' will now be known as accommodation bonds to better reflect their purpose—a bond designed to provide a valuable source of capital which will help improve and maintain the quality of residential aged care. It will not be compulsory for a provider to charge an aged care resident an accommodation bond. Some providers will therefore choose not to charge one as is currently the case with hostels.

Let me emphasise that only those people who enter a nursing home after commencement of this legislation, who have not already paid one, and can reasonably afford it, may be asked to pay an accommodation bond.

A nursing home cannot ask its current residents to pay a bond. People who currently reside in hostels will have an agreement in place that sets out the amount of any entry contribution payable. These agreements will be honoured and residents will not be required to pay any extra.

A bond will operate as a capital deposit which the provider holds while the resident is in the facility and refunds to the resident or their estate when they leave, less a modest contribution of up to $2,600 indexed per year for up to five years. This is a maximum of $13,000 that is retained by the provider.

I want to stress that people will not pay twice if they move to another facility. The bond from the first facility will be 'rolled over' or immediately transferred to the new facility. There is also a range

of payment options that consumers can choose that best suit their individual circumstances.

Residents who receive respite care in residential facilities will not pay an accommodation bond.

PROTECTIONS FOR PEOPLE WHO CANNOT PAY

The government has ensured that the bill contains strategies that will ensure that those who cannot afford additional fees or an accommodation bond will still be able to obtain the aged care services that they need.

Concessional Residents

Firstly, every residential care facility will be required to set aside a minimum number of places for concessional residents. Concessional residents are people who are full or part pensioners, who have not owned their own home in the past two years and have assets under two and one-half times the single age pension—about $22,500.

The number of concessional residents will be set in each region according to local need and, as an added incentive, providers will receive a higher government subsidy for these residents. Concessional residents will not be required to pay an accommodation bond.

This will ensure that access to aged care will continue to be on the basis of need.

Secondly, the bill contains specific hardship provisions for people entering care who will leave a spouse, long term carer or resident family member in their home. In these cases the family home will not be counted in determining whether a person can reasonably pay a bond.

OTHER PROTECTIONS FOR OLDER PEOPLE

Ensuring Rights and Quality

The bill also provides strategies for ensuring that the rights of aged care recipients and quality of care are maintained and strengthened. The legislation is based on the premise of helping to ensure that aged care recipients enjoy the same rights as all other Australians.

The bill maintains quality of care standards and clearly sets out the responsibilities that approved providers have to care recipients in ensuring their rights.

Sanctions

The bill also includes a range of sanctions for the small numbers of providers who do not meet their clearly defined responsibilities. These are responsibilities in relation to meeting user rights, quality of care and accountability requirements imposed in relation to Commonwealth funding.

This represents a major advance on current legislation.

The sanctions process is based on the concept of 'punishment fitting the crime'.

There is therefore a range of sanctions that can be imposed depending on the nature of the non-compliance. These include, for example, the variation of a funding condition for a relatively minor act of non-compliance through to revoking a provider's approval to provide aged care services and the appointment of an administrator to run the service where the non-compliance is of a serious nature.

Further, the system balances the degree of non-compliance with how often non-compliance has occurred in the past and imposes an appropriate sanction. It is a hierarchical process that sees the escalation of the seriousness of the sanction imposed for repeated non-compliance.

There are, of course, appropriate notification and review provisions for the decision to impose sanctions, however, where there is an immediate and severe risk to the safety and well-being of care recipients the notice provisions can be waived and a sanction imposed immediately.

Accommodation Bonds and Quality Assurance

For those who lodge an accommodation bond the bill will ensure that this financial investment is protected.

Before a provider can charge a bond, they must meet set standards for building quality and care through a process of certification and ultimately accreditation by a new independent Aged Care Standards Agency to be established from 1 January 1998.

This means that providers will now have both the incentive and the means to invest in quality.

Mandatory prudential arrangements will be implemented to protect the bonds that people pay.

Incorporation

Another protection contained in the bill is the requirement for incorporation as a new condition of approval for all new and transferring providers of aged care services.

Incorporation of new providers has advantages for people receiving aged care services as it clearly defines who has legal liability, for example, for the debts of an aged care facility as well as requiring providers to abide by the corporations law.

OTHER CHANGES

The bill also builds in increased flexibility and other improvements that will be to the benefit of consumers.

Flexible Care

The bill allows the Commonwealth to provide funding for Flexible Care Services to enable the development of innovative alternatives to standard

residential or community care. For example, flexible care funding could be used to investigate the provision of care to groups of people with special needs such as those living in small or rural communities.

Existing innovative services such as Multi Purpose Services and Nursing Home Care Packages will be funded under these provisions.

Other Benefits

The bill also maintains funding for unlimited hospital leave for both nursing home and hostel residents.

Under the new system all residents of aged care services will now be entitled to 52 days of paid social leave each year. For nursing home residents this means access to an extra 24 days of social leave each year.

In addition, funding for the costs of enteral feeding and continuous oxygen has been maintained and extended to hostel residents.

The bill increases the choice available to people by maintaining the Exempt Homes Scheme which provides a higher level of services and accommodation for residents who pay additional charges and extends it to also apply to hostels.

The bill refers to these services as Extra Service Arrangements which can now be offered in distinct parts of facilities, for example, a wing of a building. In the past, only whole nursing homes were able to offer these services and hostels were excluded.

Improved Administration

The bill makes explicit how personal information is to be protected. This is in addition to normal administrative practice of storing information in a secure manner and only allowing access to those who have a need to know.

Finally, the bill sets out improved decision making processes for the Department of Health and Family Services to follow. The bill includes clear criteria on which decisions are to be made, time frames for making decisions and the requirement for providing reasons for decisions.

People who are unhappy with a decision made about them are able to seek a review of that decision by the Department and then by the Administrative Appeals Tribunal. To assist this process, the bill clearly sets out the decisions that are reviewable. This is a vast improvement on the current situation.

EVALUATION OF THE REFORMS

As I have outlined, this legislation will implement significant changes to the way aged care services are provided.

While this reform is urgently needed the government acknowledges that it would be irresponsible to allow the system to develop unchecked after the passage of the bill.

The government is therefore committed to evaluating the effectiveness of the reforms in achieving high quality care outcomes for older people within two years of the implementation of the package. As a result, any adjustments that are considered necessary to ensure continued quality care outcomes for consumers, will be made.

The process will be undertaken in partnership with consumers and industry to continue the co-operative and beneficial relationship that has resulted during the development of this package of reforms.

In addition, I am committed to ensuring we target the areas of highest need for new services. I will shortly commence a review of how we allocate and target new services.

CONCLUSION

This bill provides the framework for the future of aged care services in this country. It represents the outcome of much hard work by many sectors of the industry and consumer representatives who have made significant contributions to the reforms.

It strikes a balance between residents needs and the need to ensure that nursing homes and hostels are able to provide quality accommodation and services now and into the future.

The bill provides incentives for excellence and encourages innovation, flexibility and creativity in service planning and delivery.

We owe it to the older Australians who have contributed in many ways to Australian society to ensure the comfort and dignity that they deserve in the later years of their lives.

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

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

MIGRATION LEGISLATION AMENDMENT BILL (No. 3) 1997

AGED CARE (CONSEQUENTIAL PROVISIONS) BILL 1997

AGED CARE (COMPENSATION AMENDMENTS) BILL 1997

First Reading

Bills received from the House of Representatives.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer)—I indicate to the Senate that those bills which have just been announced by the President are

being introduced together. After debate on the motion for the second reading has been adjourned, I will be moving a motion to have the bills listed separately on the *Notice Paper*. I move:

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

Question resolved in the affirmative.

Bills read a first time.

Second Reading

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (5.17 p.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

MIGRATION LEGISLATION AMENDMENT BILL (No. 3) 1997

The purpose of this bill is to amend Part 3 of the Migration Act 1958 which provides for the Migration Agents Registration Scheme. The bill amends section 333 of the Migration Act which contains a sunset clause. Under this clause, the Migration Agents Registration Scheme will terminate on 21 September 1997, after having operated for five years. The amendment will have the effect of terminating the Scheme on 21 March 1998.

I am advised that the bill was considered non-contentious in the House of Representatives and was passed with the support of the Opposition.

Honourable Senators will be aware that the Migration Agents Registration Scheme was recently reviewed by a task force within the Department of Immigration and Multicultural Affairs. The task force was guided by a reference group headed by Mr Ian Spicer, former Chief Executive of the Australian Chamber of Commerce and Industry.

The review recognised that the Migration Agents Registration Scheme had provided a measure of consumer protection and had removed a number of incompetent or unscrupulous operators from the migration advice industry. It was supportive of the industry moving to self-regulation, where its members voluntarily join an industry body and agree to meet the competency and ethical standards set by the body. The body, in turn, sets in place procedures for disciplining members who breach its code of conduct.

In considering the task force's Report, the government recognised that the migration industry is disparate and lacks a body with sufficient coverage and infrastructure to take on the task of self-regulation at this time. Consequently, the government has decided to introduce a form of statutory self-regulation as a transitional stage, with an eventual move to full self-regulation.

Under statutory self-regulation, regulatory power is delegated to an industry body and, subject to an agreement between the body and the Minister for Immigration and Multicultural Affairs, the body takes on the administration and enforcement of regulation. The Migration Institute of Australia is prepared to take on the role of industry regulator and is aware of the parameters under which such an agreement would operate.

In addition to improving competency standards and providing an enhanced consumer protection focus through a complaints resolution process, the industry body will also be able to impose disciplinary sanctions against agents who behave in an unethical or grossly unprofessional manner.

The proposed six months extension of the existing Scheme to 21 March 1998 will enable the government to develop and introduce legislation shortly for this transitional period of statutory self-regulation for the migration advice industry. It will also allow the Migration Institute of Australia time to establish the infrastructure to take on this new self-regulation role.

I commend the bill to the Chamber.

AGED CARE (CONSEQUENTIAL PROVISIONS) BILL 1997

This bill, the Aged Care (Consequential Provisions) Bill 1997, establishes the transitional provisions and consequential amendments to move from the current legislative framework for aged care, to the new system under the Aged Care Bill 1997.

This bill repeals provisions of the National Health Act 1953 and the Aged or Disabled Persons Care Act 1954 that are no longer required and maintains other sections applying to periods prior to the commencement of the Aged Care Bill 1997. It also contains necessary transitional provisions for a smooth transfer from the old legislation to the new.

In addition, the bill amends relevant legislation of the Departments of Social Security and Veterans' Affairs and others to take account of the new aged care provisions. These are technical amendments only, for example, the bill amends definitions in these acts to reflect the changes embodied in the Aged Care Bill 1997.

In considering these transitional issues, we have adopted an approach that provides security and minimises intrusion into the lives of those persons already receiving aged care.

For example, formal agreements between hostel providers and residents concerning entry contribu-

tions and fees, will be maintained as resident agreements under the Aged Care Bill 1997. This will protect these residents from having to pay any more in entry contributions than they have already paid.

Current approvals and classifications will be maintained for existing residents ensuring that they will not need to go through another approval and classification procedure, until those classifications expire.

This bill also clarifies a number of exempt status issues for residents receiving these services. For example, existing exempt residents will continue to pay the same exempt fee and will not be income tested.

The bill ensures that current service providers are not unduly burdened with administrative red tape in moving to the new system. This bill gives providers of aged care certainty in the transition from the old system to the new.

For example, approved operators currently providing care, or who have approvals to provide care under the National Health Act 1953 or the Aged or Disabled Persons Care Act 1954 before the commencement of the Aged Care Act 1997, will automatically become approved providers under the Aged Care Bill 1997.

This approval will be retained whether or not these organisations are incorporated. This bill specifically allows existing approved operators to choose not to incorporate at the time of transfer to the new system.

The Aged Care (Consequential Provisions) Bill 1997 also makes provision for applications made under the old legislation, that are not finalised at the commencement date of the Aged Care Bill 1997, to be considered under the new bill.

For example, applications for approved operator status will be considered as applications for approved provider status under the Aged Care Bill 1997.

In addition sanctions on providers,that are now in place remain as sanctions under the new bill. In addition, for Commonwealth funding received by providers up until the commencement day of the new legislation, this legislation will preserve the accountability processes so that this funding can be acquitted after the commencement of the new-act.

The consequential amendments will also red*ect the payment of Residential Care Allowance (formerly Rent Assistance), to providers of residential aged care rather than to residents. This is a technical change only that is designed to simplify administrative arrangements. It will not significantly affect either the amount of income residents are left with after they pay the base fee, or the total funding available for providers.

This bill will also amend the National Health Act 1953 in relation to a 1997 budget announcement to increase the number of days of respite that a person in receipt of the Domiciliary Nursing Care Benefit is eligible for. This will be an increase from 42 to 63 days of respite per year from July 1998.

While this amendment is not directly linked to the residential aged care reforms, which are the main subject of this bill, it supports greater flexibility in the broader spectrum of aged care services that are available. People who receive DNCB do so because they provide 24 hour a day nursing home level care to their spouse or other relative.

This amendment recognises the dedication of these carers to their family member and is another step towards honouring this government's commitment to carers.

We are committed to achieving substantial reform in the residential aged care sector. This bill is essential to that reform and is the link between current legislation and the new Aged Care Bill 1997 that will allow this transition to occur.

AGED CARE (COMPENSATION AMENDMENTS) BILL 1997

This bill amends the Health and Other Services (Compensation) Care Charges Act 1995 to reflect the changes resulting from the introduction of 5 the government's aged care reform package. The changes are reflected in the Aged Care Bill 1997.

The Health and Other Services (Compensation) Care Charges Act 1995 provides for the Commonwealth to recover moneys it has paid to, or on behalf, of a person for their care. The recovery is able to be made when the person receives a compensation ruling which includes the cost of nursing home care up to the date of settlement.

The amendments proposed in this bill are required because under the Aged Care Bill 1997 nursing homes will cease to exist when they become part of the new unified residential care system.

The amendments insert residential care and residential care subsidy in the act and extend the coverage of the legislation to all residential care recipients after the Aged Care Bill comes into force.

Ordered that the Migration Legislation Amendment Bill (No. 3) 1997 be listed on the *Notice Paper* as a separate order of the day.

Ordered that further consideration of the second reading of these bills be adjourned until the first day of sitting in the Spring sittings, in accordance with the order agreed to on 29 November 1994.

BILLS RETURNED FROM THE HOUSE OF REPRESENTATIVES

The following bill was returned from the House of Representatives without amendment:

Child Support Legislation Amendment Bill (No. 1) 1996 [1997]

COMMITTEES

Membership

The ACTING DEPUTY PRESIDENT (Senator Reynolds)—The President has received a letter from the Leader of the Opposition seeking a variation to the membership of the Economics Legislation Committee.

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

That Senator Sherry be appointed a participating member of the Economics Legislation Committee.

CUSTOMS AND EXCISE LEGISLATION AMENDMENT BILL (No. 2) 1996 (No. 2)

In Committee

Consideration resumed.

The TEMPORARY CHAIRMAN (Senator Reynolds)—The committee is considering the Customs and Excise Legislation Amendment Bill (No. 2) 1996. When the committee was last considering the bill, it had concluded consideration of Democrat amendment No. 3. The question now is that the bill, as amended, be agreed to.

Senator COOK (Western Australia) (5.19 p.m.)—I move:

(12) Schedule 1, page 11 (after line 13), after item 21, insert:

21A Subsection 164(7)

Insert:

place where the mining operation is carried on means the collection of all mining leases, production leases, exploration leases, prospecting licences, miscellaneous licences, general purpose leases, similar leases or licences or an area covered by an authority, permit, right or freehold title (including any interest in such), which constitute a mining operation as defined in this subsection.

The reason for this amendment is that, peppered throughout the act and the Customs and Excise Legislation Amendment Bill (No. 2) 1996 are references to the place where mining occurs, or the place where the mining operation is carried on. But that term is not defined in the act or the bill and it seems to us that, for clarity of understanding and, in particular, given that the words the 'place where the mining operation is carried on' carries significance here for claiming of the rebate, the term should be defined.

The words we have proposed by way of this amendment do that. They define it and they clarify it. That clarity of definition and understanding will be of great value, we believe, to the enforcing agency here, the customs department, and to the mining industry, who have to work under the provisions of this legislation and who regard apprehensively the ambiguity that is currently surrounding the meaning of the place where mining is carried on.

Let me support that comment that I have just made, about the term 'regard apprehensively the ambiguity that is currently surrounding the meaning of the place where mining is carried on', by referring to the *Hansard* of the Senate Economics Legislation Committee which conducted an inquiry into this legislation on 25 February last. In particular, I refer to page E15. At that page there appears a map which was tendered in evidence to the Senate hearing by the President of the Association of Mining and Exploration Companies, a Mr Maynard. That map is of a mineral lease. It is headed, 'Association of Mining and Exploration Companies: Layout of a Mining Operation'. In the bottom right-hand corner there is a legend interpreting all of the signs and details of this map.

Accompanying that document, which appeared in the hearing as an exhibit, there is, on page E16 of the *Hansard*, a presentation which I do not intend to read into the Senate *Hansard* here but I want to reference for the sake of this debate all of what Mr Maynard says on that page and the spill-over to page E17. The point about Mr Maynard's evidence—and I repeat that he is, I understand, the president of AMEC—is to show, as he does I think comprehensively, the degree of confusion that can arise over a non-clear definition of the meaning of 'at the place'.

Those of us who had the responsibility of sitting on the Senate inquiry taking evidence from industry will remember, I think quite graphically, that at the end of this section of evidence we all shook our heads in confusion at the very many ways in which an industry spokesperson had illustrated that the place where mining is carried on could be defined in so many different and conflicting manners so as to create real doubt as to what was being referred to.

I know that the departmental evidence later was drawn on the accuracy of all that Mr Maynard said, and that the departmental evidence refuted, in part, some of those things that Mr Maynard had put, but I do not think it is fair to say that departmental evidence refuted in whole what Mr Maynard had said. Indeed, one is left, in reading both what the department and Mr Maynard have put, with a real feeling that there is a serious problem here and one that must be addressed. The purpose of our amendment is to do so.

In arriving at the words that we have included in our amendment we have been assiduous in talking to industry as to what a reasonable—I underline the word 'reasonable'—definition of 'place where the mining operation is carried on' would be. These words, which we initially crafted, are not our words in the final outcome but they are words that have been amended by taking on board informed industry commentary as to what would be the appropriate definition. In saying that, I do not lay it at the door of any particular industry body but say that this is indeed a definition which would have widespread industry support and I think does the job of addressing the clarity question for the bill.

One might say, 'All this is very well. It's an interesting story, but is it necessary at the end of the day because "at the place where mining is carried on" can easily be argued in physical terms; there is a mine and there is a place or a site where that is carried on.' That is, I think, potentially a fairly damning argument and I, therefore, want to deal with it in this way.

Firstly, the words 'at the place' or reference to the location appear so frequently throughout the act and the bill that it is necessary, on a plain person's reading of all of that, to come up with a definition so that we know what is being referred to. Secondly, it is not a matter of simply referencing an area, because this deals with mining leases, legal entitlement, all sorts of tenure rights, licensing rights and things of that nature too. It is not a matter to be resolved simply by referencing the physical area in which the actual mining is carried on. One needs a more complex treatment of the subject.

Thirdly, industry is apprehensive and it is against a background of this act being a highly litigious act. We have had, in the evidence before the Senate inquiry, a great deal of evidence about a series of cases before the AAT and some cases that went as far as the High Court on defining what the meaning of particular provisions were. I will not delay the Senate now but you will recall that when this bill was last before the chamber—not in today's treatment but on the previous occasion—to some extent we debated the issues of the salt industry. The salt industry had a legal claim upheld by the Federal Court, and the High Court refused to take an appeal from the Customs service, as to whether their particular processes conformed to the actual act. At the end of the day it was found that they did.

That is just one example of quite expensive and lengthy litigation over the meaning of words in this act. I can give the Senate another example, that is, in the case of the amendment we dealt with which was moved by the opposition upon resumption of play today relating to the cement industry. The cement industry has cases on foot before the AAT at the present time. The point I make is that this is an area of great litigation. It is an area where there are serious claims and entitlements being pursued and, if there are vagaries or ambiguities in the act, it is, I think, our responsibility as legislators to clear that up directly and unambiguously so that to the extent that litigation as to meaning can be avoided, we have done our job to ensure it has been.

The fourth point I make with respect to this concerns this argument about varying interpretations that are placed on 'the place where mining might be carried on'. This is an

industry argument in which industry cogently, convincingly and persuasively argue that they lack confidence in a consistent interpretation being applied by the Customs Service to the meaning of 'the place where mining is carried on'.

They argue that they are replete with examples of where different interpretations to that phrase have been applied by the Customs Service. I have not chased down each one of these things, and I am not in a position to say that in all cases the industry are right; it may well be that in some cases they are not. But the fact that they are apprehensive and can argue convincingly about varying interpretations by the Customs Service of the meaning of these words is a fourth reason why a prudent legislature would move to create clarity on this subject.

They are the reasons I have moved the amendment. I remind the chamber that the amendment would, in the definitions part of this act, clarify the definition of 'where the mining operation is carried on'. The words contained in this amendment to clarify that are unexceptional and reasonable words. They are not seeking to distort or extend a definition unreasonably in any direction. They are simply there to correctly and accurately describe what such a place might be. Because they do not change the real meaning of the act, they should not involve any extra costs either way. They should not create a saving and they should not create a cost. They should be cost neutral.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (5.32 p.m.)—I would like to quickly say why the government will not be accepting or supporting the amendment. Prior to doing that, let me state for the record that, to the best of my advice, Mr Maynard is not the president of AMEC; he is actually a consultant employed by AMEC. The government is opposed to this amendment because we believe that it would actually result in quite a substantial expansion of the diesel fuel rebate scheme. I guess we are a bit confused as to what the Labor Party is doing, because to remove the 'connected with' provisions would seem to be in absolute contravention to the measures it took when it was in power. We believe that in particular transport activities could well become eligible and that this would involve a significant increase in expenditure in and expansion of the rebate scheme. For these reasons, we will be opposing the amendment.

Senator MARGETTS (Western Australia) (5.33 p.m.)—I am interested in this issue as well. If the amendment simply defines or makes a legitimate effort to ensure that legitimate mining activities are not excluded simply because, for example, a beneficiation plant is sited on freehold land rather than leasehold land, that might be a reasonable thing to do, if that is the case, and it is just a matter of clarifying it. The parliamentary secretary has indicated that the amendment will extend the scheme, but unfortunately he has not given us any more details in relation to what this extension means, how it is extended and what are the financial implications of this extension so that I can get an idea—because I really want to listen to the debate—of how this is likely to be extended as a result of what Labor are calling a clarification of the definition.

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (5.34 p.m.)—I would like to direct to Senator Cook a question regarding the possible expansion into transport. Have you looked at this issue? If so, what do you believe is the likelihood of that extension?

Senator COOK (Western Australia) (5.34 p.m.)—We considered putting forward a definition which would define 'the place where mining is carried on'. As I said in my primary remarks, the amendment is not to distort that definition to bring in new areas that were not intended, but to get the definition right. So our intention was never to open the door to other areas, such as transport, as the parliamentary secretary has put. If the parliamentary secretary could demonstrate how that happens and how that might be closed off, we would be amenable to achieving that goal as long as the words that he puts do not somehow detract from the definition of genuinely what is the place. Our definition reads:

. . . means the collection of all mining leases, production leases, exploration leases, prospecting licences, miscellaneous licences, general purpose leases, similar leases or licences or an area covered by an authority, permit, right or freehold title . . . which constitute—

and I think these words are important—

a mining operation as defined in this subsection.

That seems to me not to open the door to transport in any way and, with those words that I emphasised at the end—'which constitute a mining operation as defined'—ought to put the issue beyond doubt. So I think it would be useful if the parliamentary secretary could, rather than just issue these observations as throwaway lines, explain more fully what he actually means. If he can demonstrate that this does do that, if there is a further form of words which do not detract from this definition and does close off that loophole, we would be amenable to it.

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (5.36 p.m.)—I direct a question to the parliamentary secretary on that very issue. Having looked again at the specific amendment and highlighting the fact that the Australian Democrats do believe that 'at the place' should be defined in the legislation to incorporate all mining exploration and special purpose leases constituting a working mine, can the parliamentary secretary please explain where specifically the gap is that lets in transport?

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (5.37 p.m.)—I will give it my best shot, Senator Lees. As I am informed, the act, as it stands, defines the places at which certain activities take place quite tightly. This amendment would broaden it by bringing in an overall definition which brings in—and I quote from the amendment—'all mining leases, production leases, exploration leases'. It can easily mean any activity, including transport, that takes place on that mining lease or on that tenement. That is the advice that we have got. It allows for a much broader interpretation of what 'place' means. 'Place' is defined at the moment under the act, and I refer senators to section 164—the relevant section which refers to the range of activities that take place under the act.

Senator Cook—Whereabouts in that section?

Senator CAMPBELL—Under 'mining operations'. If this new section were inserted we would have a broad definition. To answer Senator Margetts's point, the expansion of the scheme and the expansion of the money paid out under the scheme would basically be as big or as broad or as long as the court's interpretation of a substantially broader definition, which would bring in all mining leases, production leases, exploration leases and prospecting licences and describe 'place' as being where any of these activities could take place. So we cannot tell you whether it will be another $100 million, $50 million or whatever; it will depend on the court's interpretation of what can only be described by anyone who has seen any litigation on these matters as a substantial broadening of the definition.

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (5.39 p.m.)—Could I ask Senator Cook to comment on that, particularly on the issue of on-site or on-lease transport and the potential problems of expanding the scheme to include those activities, and whether movement from one adjoining lease to another is also possible under this amendment.

Senator COOK (Western Australia) (5.39 p.m.)—First of all, I understood the minister to say that section 164 of the act defines 'at the place' quite tightly. What is true is that section 164 of the act is the definitions section and that under that section 'mining operations' is defined. The definition of 'mining operations' goes on for a little more than 3½ pages. It is quite extensively defined. But, in defining 'mining operations', there appear on a number of occasions, for example, these words: 'referring to a coal stockpile management for the prevention of spontaneous combustion of coal if the management is carried on at the place where the mining operation is carried on'. Elsewhere it refers to 'the person who carried on the mining operation at the place' or 'a person contracted by that person to carry out the rehabilitation'.

Just by twice randomly dipping into this 3½-page definition of 'mining operations' you

can see that, in the definition of 'mining operations', 'the place' is referred to, and it is referred to in quite important contexts. It is for those reasons in the first instance that it appeals to us that 'at the place' should be defined. I do not accept what the minister says: that it is defined quite tightly. 'Mining operations' is defined over 3½ pages, but I do not see that 'at the place' is defined. It is for those reasons that we have moved our amendment.

Coming to Senator Lees's point: these words are a subdefinition of the definition 'mining operations'. They seek to clarify those sections in this part of the definitions which contain 'the place'. So it only amplifies or makes clearer the meaning of 'the place'. If 'the place', where it is used in one or other of these definitions, refers to something that might tangentially relate to transport or adjoining leases, then all this definition does is make it clear what 'the place' means. It does not go to incorporating the next step of whether adjoining leases are acceptable or transport between or within a site is acceptable. Those definitions are already covered here.

The only point of clarity that is made is where the words 'at the place' occur, and then that is now clear. I am sorry if that sounds like a tortuous explanation. It does not seek to change the character of the definition of 'mining operations'; it only seeks to make clear what 'at the place' means.

Senator MARGETTS (Western Australia) (5.43 p.m.)—I do not know that I have been much enlightened by the government's or Senator Cook's response. Perhaps to be more specific, the minister might give me an idea of who might be included and who currently is not included. If we are going to clarify the definition, we need to know which people are likely to be affected. Perhaps the minister can give us an idea of who might be included and who currently is not included under this definition and, alternatively, Senator Cook can give us an idea of who currently is excluded and who legitimately should be, according to him, included. If we can get a picture of that, we might have a better idea of knowing exactly what we are dealing with. At the moment we seem to be getting different stories, and we are still no wiser as to exactly what group of people and under what circumstances they are likely to be affected by the definitional change.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (5.44 p.m.)—It is quite complex and it is hard to make it absolutely clear, but I think giving an example is a good way to do it. Under section 164, particularly under the definition of 'mining operations', which Senator Cook referred to earlier, there is—and the fact that it goes on for 3½ pages tends to reinforce this—quite a tight link about the activity and the place. I think Senator Cook and I would both agree with that.

What we believe this definition would do, and what it would bring in, by particularly referring to a list of leases such as mining leases, production leases, prospecting licences and so forth, is to ensure that these activities could take place on any of those properties—if we use the more generic term 'properties'—and could be bought into the rebate scheme. That is what we are concerned about. I think everyone has noted in the debate that the courts do spend a lot of time arguing over these things when making definitions.

We believe that this definition in itself would go in the opposite direction. We are trying to tighten it and make it more specific. This amendment would create a situation that does substantially expand it—because of the nature of the definition—by bringing in all of those different properties where these activities could take place. You could bring in a new operation and allow these things to take place to make it easier to win before the courts.

Senator LEES (South Australia—Deputy Leader of the Australian Democrats) (5.46 p.m.)—I am handling this bill briefly for Senator Murray, who has had to step out of the chamber. Standing here listening to what are two very conflicting arguments is not really helping at all. I wonder whether, by the will of the chamber, we could defer a vote on this particular amendment until after we have dealt with the other amendments on this bill, to give us time to get further clarification as

to who is actually right—whether the mover of the motion, Senator Cook, is indeed right that this is not going to extend into transport activities. I have listened to his explanation and he has a quite concise understanding that, fitting in with the existing legislation, it is not going to do that. On the other hand we have the minister, with his advisers, telling us that, on their reading of this, indeed it is going to do that. I do not wish to delay the bill in any way. I am just asking that we leave the vote on this particular amendment until there has been some time for further consideration and a balancing of what are two very different opinions.

Senator COOK (Western Australia) (5.47 p.m.)—I will comment on that very briefly. I have got no objection to leaving it so that other parties to this debate can get greater clarity. I note that the way in which we are dealing with this will mean that it will come to a vote tonight, and within an hour or two of now. If we do leave it aside, clarity would have to have been sought within about that time frame, because at the speed with which we are dealing with this that is a logical and reasonable expectation of timing.

Senator Margetts asked me to explain what is left out and what is left in as a consequence of this. Can I go back to what I initially said: it is not intended to bring in anything new or exclude anything new. This definition seeks to define the meaning of the place where the mining operation is carried on. Walking my way through it—I have done this twice now so I will not do it a third time—it seems to me that the question is: is a place where mining is carried on the collection of all mining leases? I think that, reasonably, yes, when mining is carried on on a mining lease, that is a place where it is carried on—and on a production lease and on an exploration lease, and so it goes through all of the particular categories here.

My understanding—I am not a lawyer and if I were, I could not give a legal opinion—of the legal meaning of putting down each of these particular categories of entitlement means that you limit it to those categories, because this does not have a phrase at the end of it 'and all other things that might be contemplated', or words to that effect. It is quite specific about these categories and concludes with 'which constitute a mining operation'. So this is to define it within the meaning of those areas or entitlements named here. The way in which there might be some resolution on this matter is for the government to say which ones of those it objects to, which ones it does not regard as a place where mining might be carried on. If the government could say that then we might get to the bottom of this fairly quickly.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (5.49 p.m.)—I will give one example which will, hopefully, clarify it. I do not think there will be any new information which will emerge in the next hour. I would prefer to see this voted upon. One example that could clarify things for Senator Lees, in particular, and could possibly help Senator Margetts is that, under 164(o) on page 209 of the act I have before me, it refers to the eligibility for:

> . . . the construction or maintenance of private access roads for use in a mining operation referred to in paragraphs (a) and (b) . . .

It refers to the fact that you get a rebate if you go and build roads at the mining operation. If you read that in tandem with the proposed new section 164 subsection (vii) that this amendment would insert, which brings in production leases, exploration leases, prospecting licences, miscellaneous licences, general purpose leases and similar leases or licences, then it would permit all of those licences to be defined as mining operations, and would basically allow the DFRS to apply it to the construction of roads at any of those properties. I think the word 'properties' helps me to clarify it. I think Senator Cook is being absolutely honest when he says that it does not bring in something new but what it does is to allow something that is already defined in 164(o) as an example of those operations to take place on a whole range of other different properties and to be brought in in that manner.

Senator MARGETTS (Western Australia) (5.51 p.m.)—I have been listening to the debate and can perhaps put the rest of the Senate out of its misery. Honourable senators

would be well aware of the fact that it is not the Greens' intention in any way, shape or form to act in a way which would extend a rebate which clearly we would like to wind down. I am not convinced that this measure is clear enough. The measure that is proposed by the ALP is clear enough. It simply limits it to sharpening a definition. Therefore, my decision is to oppose the amendment.

Senator COOK (Western Australia) (5.52 p.m.)—I wish I had got the call before Senator Margetts. Just on the explanation given by the parliamentary secretary on subsection (o) of section 164, all that the amendment that I am proposing would do is define in subsection (i) 'occurs at the place where the mining operation is carried on.' That place would then be defined as being one or other of those areas. If there is a mining operation being carried on there, that is a place within the meaning of subsection (o). It is not to say that all of these areas operate without there being a mining operation carried on.

This is a definition of where a mining operation is carried on, so there has to actually be a mining operation. From that point of view, which, I submit, is the plain person's way of reading it, and therefore the sensible way of reading it, I do not see that the argument that the minister has put stands at all. This is not an extension. If there were all of those areas—all of those things like prospecting licences, exploration licences, production leases and mining leases—but with no mining carried on at any of them, there is no place within the meaning of this act and the extension that the government so fears would not occur. That is why I believe and submit that this is a neutral definition.

Question put:

That the amendment (**Senator Cook's**) be agreed to.

The committee divided. [5.58 p.m.]

(The Chairman—Senator S.M. West)

Ayes	32
Noes	36
Majority	5

AYES

Allison, L.	Bishop, M.
Bolkus, N.	Bourne, V.
Carr, K.	Collins, J. M. A.
Collins, R. L.	Conroy, S.
Cook, P. F. S.	Cooney, B.
Crowley, R. A.	Denman, K. J.
Faulkner, J. P.	Foreman, D. J.*
Forshaw, M. G.	Harradine, B.
Hogg, J.	Kernot, C.
Lees, M. H.	Lundy, K.
Mackay, S.	McKiernan, J. P.
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.
Brown, B.	Brownhill, D. G. C.
Calvert, P. H.*	Campbell, I. G.
Chapman, H. G. P.	Colston, M. A.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferguson, A. B.	Gibson, B. F.
Heffernan, W.	Herron, J.
Hill, R. M.	Kemp, R.
Knowles, S. C.	Macdonald, I.
Macdonald, S.	MacGibbon, D. J.
Margetts, D.	McGauran, J. J. J.
Minchin, N. H.	Newman, J. M.
O'Chee, W. G.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.

PAIRS

Childs, B. K.	Ferris, J
Evans, C. V.	Parer, W. R.
Gibbs, B.	Lightfoot, P. R.
Murphy, S. M.	Alston, R. K. R.

*** denotes teller**

Question so resolved in the negative.

Senator CARR (Victoria) (6.03 p.m.)—Madam Chairman, can I get an indication as to whether Senator Colston was paired in that last division?

The CHAIRMAN—We have no official recognition of pairs. You would have to ask the whips.

Senator CARR—I seek clarification from the government whip: was Senator Colston paired in that last ballot?

Senator Calvert—The vote has been taken. I will talk to you outside, if you like.

Senator CARR—I wonder whether I can get it clarified by you now; was he paired or not? It seems you are not going to respond.

Senator MURRAY (Western Australia) (6.04 p.m.)—In my opinion, Democrats's amendment 4 was inferior to the opposition's previous amendment. Since they lost their amendment, we will withdraw ours.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.04 p.m.)—I seek leave to move government amendments 6 and 7 together.

Senator COOK (Western Australia) (6.04 p.m.)—Before leave is granted, I raise a procedural point. It is not that I am resisting the granting of leave, it is just that it might speed the process. The best way I can raise it is to explain what it is that I want to do.

The CHAIRMAN—Do you wish to move opposition amendment 1 on sheet 544 to government amendment 6?

Senator COOK—Yes, I do—to the second half of government amendment 6. I would be happy to support the government on amendment No. 6, which adds 7C at the end of subclause 7B. But I do not support adding 7D. I am happy to support the government in all of the next one.

The CHAIRMAN—Senator Campbell, given Senator Cook's explanation, would you like to move amendments Nos 6 and 7 separately, so that Senator Cook can move his amendment to No. 6.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.05 p.m.)—I move:

(6) Schedule 1, item 23, page 11 (after line 31), at the end of subclause (7B), insert:

(7C) The beneficiation of ores bearing manganese minerals ceases when manganese-mineral concentrates are last deposited in a holding bin, or in a stockpile, at the place where the concentration is carried on, before transportation of those concentrates.

(7D) In determining whether a particular process to which a mineral, or ores bearing a mineral, are subjected constitutes beneficiation of that mineral or those ores, no regard is to be had to any market considerations that might affect the decision to subject that mineral or those ores to that process.

Senator COOK (Western Australia) (6.05 p.m.)—I move:

(1) Subsection 164(7D), omit the subsection.

I wish to support the first half of government amendment 6, which is to add 7C in the terms expressed. But I wish to oppose the next half of amendment 6, which is to add in 7D. I do not want to be put, if I can avoid it, in the position of opposing the lot. It would be convenient, Senator, if you could move the first part and we could support that. Then we can deal with the other debate.

Senator MARGETTS (Western Australia) (6.06 p.m.)—On a point of clarification, can Senator Cook explain how this amendment relates to opposition amendment 15? Has it been overridden by opposition amendment No. 1 on sheet 544?

Senator COOK (Western Australia) (6.06 p.m.)—Firstly, if the government moves 7C, which is the first half of their amendment 6, that has no effect on my later amendment if it is carried.

The TEMPORARY CHAIRMAN (Senator Patterson)—Senator Cook, my reading of it is that you are moving opposition amendment No. 1 on sheet 544 to government amendment 6.

Senator COOK—Yes.

The TEMPORARY CHAIRMAN—And it has the effect of omitting subsection 7D?

Senator COOK—Yes.

The TEMPORARY CHAIRMAN—Can I clarify that for you Senator Margetts? In effect, what Senator Cook has done is move opposition amendment No. 1 on sheet 544 to government amendment No. 6. It has the effect of omitting subsection 7D.

Senator COOK—I wish to speak briefly in support of my amendment. As I said, the opposition supports clause 7C, which concerns the beneficiation of ores bearing manganese minerals. But we have difficulty with 7D and we do not support it. Clause 7D states:

In determining whether a particular process to which a mineral, or ores bearing a mineral, are subjected constitutes beneficiation of that mineral or those ores, no regard is to be had to any market

considerations that might affect the decision to subject that mineral or those ores to that process.

What we object to are the words 'market considerations'. Beneficiation is all about market considerations. The reason why you beneficiate ore is to meet your client's needs for a higher concentrated and better presented ore for their processes. If it is the ore I know best—iron ore—then you do it in such a way that it suits the blast furnace prescriptions, which are the formula that the particular client companies want.

Beneficiation is all about, in our view, meeting market considerations. The inclusion of those words, which have a limiting and exclusory effect on market considerations, seems to me to render to almost zero the significance of the particular provision being sought here. There is a lot of controversy associated with this section. Beneficiation is one of the areas that traditionally has attracted the diesel fuel rebate. In the original bill, beneficiation was reduced to a shell of its former self. The government has sought to restore that and this Senate has supported those amendments. The government sought to restore beneficiation to this legislation in its own amendments, which we dealt with the last time this bill was before the Senate. It did so after extensive consultation with industry. But this provision now takes away a lot of what was given then. We think that is wrong.

On the other hand, what my amendment will do is provide for the words 'technical processes involved' in place of 'market considerations'. So beneficiation can then be seen as part of the technical processes involved in preparation of the ore for the market. That, in my understanding, restores this provision to what was the case in the act and overcomes the problem the government has. It reflects the views of industry and it reflects, in my understanding, the outcome of discussions held with the high-level negotiating group as well.

Senator MURRAY (Western Australia) (6.12 p.m.)—I advise that the Australian Democrats will oppose Labor's amendment.

Senator MARGETTS (Western Australia) (6.12 p.m.)—My feeling at this stage, with the information we have received, is that we could support the government amendments if Senator Cook's amendment was supported. Otherwise, we would not be able to support the government's amendments. So I am indicating that we will be supporting Senator Cook's amendment but we would not be able to support the government's amendments unless Senator Cook's amendment was supported.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.12 p.m.)—We will be opposing Senator Cook's amendment. We will be doing so because, again, we believe this would widen potential eligibility for beneficiation. Beneficiation would not be confined to physical acts, as it would be under the government's words. Rather, it would include beneficiation for market considerations. That would potentially broaden the eligibility for beneficiation.

Senator COOK (Western Australia) (6.13 p.m.)—In view of the explanation just given by the parliamentary secretary, could he enlighten the chamber as to what he would regard as being market considerations in the context of this proposal?

Senator Campbell—A contract.

Senator COOK—I am not sure that actually clarifies the issue.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.13 p.m.)—I thought it might. A company might undertake some beneficiation because it has a contract. Some other company that may not have a contract but that could do the same sort of beneficiation would not be able to benefit. That would be a market consideration. It would be discriminatory but it would certainly broaden the eligibility for that beneficiation as that particular applicant would gain a benefit because it had a contract.

Senator COOK (Western Australia) (6.14 p.m.)—This is getting to be an argument about the regressive nature of the diesel fuel tax. The first observation I make about what the government is now saying is that if a company moves into downstream processing—that is to say, the first stage of downstream processing is to beneficiate the ore to

be able to sell it at a higher value added level than it was in its pure state—it will, under the government definition, now be taxed, which to me is quite the reverse of what the national interest is in a case like this.

Secondly, we are dealing with an industry which is a highly competitive international industry and where the technological change is quite rapid, and certainly quite rapid over recent years. The industry that most of all I have in mind here is the steel making industry. Iron ore and coal are the major exports from Australia. The beneficiation of iron ore is something that weighs heavily on all iron ore miners. In order to win and retain an ongoing place in the world market, beneficiation has become an essential step along the way, and, if beneficiation is to be discouraged by virtue of having to then pay the full tax because of market considerations, it defeats the whole process, I think, of maintaining a competitive industry.

I just do not understand the government's argument here other than as a straight money-grubbing argument. I cannot see that there is any industry goal achieved. If it is a money-grubbing argument, it is also an argument counter to their own interest, because the best interest of this government is served by encouraging greater sales of beneficiated higher quality ore for a greater return to the Australian economy. The more you beneficiate the ore for international markets, the more people are employed in the downstream processing arrangements, and the budget is better repaired, from the income side, because of the growth and development of the industry. If you tax downstream processing, as this measure would now do, you limit the ability for the industry to grow, you reduce the jobs available and you simply make this a cold-blooded cost cutting exercise which is negative in its outcome. For those reasons I just have to reject what the government is doing here.

Senator MARGETTS (Western Australia) (6.17 p.m.)—The phrase 'no regard is to be had to any market considerations that might affect the decision to subject that mineral or those ores to that process' is quite bizarre. I have noted, in relation to the salt process, that virtually every decision to beneficiate a mineral here or elsewhere, to sell it as a value added intermediate or primary ore at various levels of beneficiation, is a market decision.

I think that it is true that what we are seeing is a desire to cut back on the rebate, and of course we are happy with that, but it just does not seem to make sense in relation to this. Perhaps it might even have been better to say that regard is to be had for whether the process involves extraction or cleaning of a fundamental mineral or complex of minerals contained within an ore or if it constitutes a fundamental transformation of the mineral into another substance through chemical bonding, or if it constitutes a fundamental transformation of the mineral into a form having other properties through a process such as smelting or crystallisation.

I think that we have got a bizarre situation in this bill which is largely fiscally driven. It seems that maybe Finance are driving the definitions; and the definitions do not seem to make sense, so I will be supporting Senator Cook's proposal. At this stage, if that does not get up, as I mentioned, I will not be able to support the government's amendment.

Question put:

That the amendment (**Senator Cook's**) be agreed to.

The committee divided. [6.24 p.m.]

(The Chairman—Senator S. M. West)

Ayes	29
Noes	41
Majority	12

AYES

Bishop, M.	Bolkus, N.
Brown, B.	Carr, 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.*	Faulkner, J. P.
Foreman, D. J.	Forshaw, M. G.
Harradine, B.	Hogg, J.
Mackay, S.	Margetts, D.
McKiernan, J. P.	Murphy, S. M.
Neal, B. J.	O'Brien, K. W. K.
Ray, R. F.	Reynolds, M.

AYES

Schacht, C. C.	Sherry, N.
West, S. M.	

NOES

Abetz, E.	Allison, L.
Boswell, R. L. D.	Bourne, V.
Brownhill, D. G. C.	Calvert, P. H.
Campbell, I. G.	Chapman, H. G. P.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferguson, A. B.	Gibson, B. F.
Heffernan, W.*	Herron, J.
Hill, R. M.	Kemp, R.
Kernot, C.	Knowles, S. C.
Lees, M. H.	Lightfoot, P. R.
Macdonald, I.	Macdonald, S.
MacGibbon, D. J.	McGauran, J. J. J.
Minchin, N. H.	Murray, A.
Newman, J. M.	O'Chee, W. G.
Patterson, K. C. L.	Payne, M. A.
Reid, M. E.	Stott Despoja, N.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.
Woodley, J.	

PAIRS

Childs, B. K.	Parer, W. R.
Gibbs, B.	Alston, R. K. R.
Lundy, K.	Ferris, J

*** denotes teller**

Question so resolved in the negative.

Senator COOK (Western Australia) (6.28 p.m.)—I move:

(15) Subsection 164(7D), omit "no regard is to be had to any market considerations", substitute "regard is to be had to the nature of the technical process involved".

This is the same issue, and we have had the debate.

Senator MURRAY (Western Australia) (6.28 p.m.)—Senator Cook, my approach with this one is that I think you have got a reasonable amendment here. I am inclined to support it unless there are good reasons not to.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.29 p.m.)—I am advised that the amendment we have just voted on would delete subclause (7D) and we are now voting on a change of wording to (7D). Is that correct?

The TEMPORARY CHAIRMAN (Senator Patterson)—Yes.

Senator CAMPBELL—The government's belief is that the change in wording would achieve almost exactly the same effect as what we have just voted on. In other words, removing the phrase in relation to market considerations would ensure that beneficiation is not confined to physical acts and would widen the potential eligibility for beneficiation. It has, from the government's point of view, virtually all of the same negative impacts as the removal of (7D) in the first place.

Senator MURRAY (Western Australia) (6.31 p.m.)—Perhaps I could address this question to Senator Cook. My understanding is that this amendment does not relate to market considerations at all but relates to the technical process, which is a complex matter which was covered in the hearings and has particular meaning to the mining industry involved.

I wonder if Senator Cook could explain for us whether this technical process change would affect the DFR to any considerable degree—as was implied by the parliamentary secretary—or whether it would merely be, as I consider it to be, more of a tidying up and fairer way of dealing with the matter.

Senator COOK (Western Australia) (6.31 p.m.)—As Senator Murray pointed out, this matter was dealt with extensively in the Senate Economics Committee hearing on this bill relating to the diesel fuel rebate. A great deal of time was spent coming up with the meaning of beneficiation, how it applies and so forth.

This amendment, I regard, is aptly described as being one that tidies up the application of the bill in the way in which Senator Murray has referred to it. The difficulty with the government provision is that it does, I have to say, limit the effect of the diesel fuel rebate claims with regard to any market considerations, whereas this amendment ensures that it takes regard of the nature of the technical process involved.

The debate we were having a moment ago was about whether this disclaimer should appear in the legislation at all. The view we took in that debate was that it should not. Now, what we are saying is that the legislation should be modified, having regard not to market considerations but to the technical

process. The technical process varies according to what type of ore we are talking about and what type of beneficiation process is engaged in. It is a bit hard to differentiate between them, but this seems to me to be a fairer way of referring to this than simply the broad brush exclusion of market considerations.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.33 p.m.)—That really reinforces the government's vehement opposition to this amendment, because it would get rid of the words 'no regard is to be had to any market considerations'. That is exactly why we so vehemently opposed, with the Democrats' support, the former amendment which would have had the same effect—that is, to ensure that market considerations can all be brought back in.

That is the danger the government sees. The amendment would ensure an expansion, and a discriminatory expansion, because it would discriminate between different operators doing the same thing because of market considerations, such as a contract.

Senator MURRAY (Western Australia) (6.34 p.m.)—As you know, Senator Campbell, I have not tried to stretch this debate out at all, but I am a little perplexed, I am afraid, and I would appreciate some clarity. Having gone through the whole hearings process, I really cannot find it in me to understand how the market considerations aspect equates with the technical processes. I understand those to be separate and distinct consequences. Whilst I accept that the tidying up will increase the DFR to some extent—and Senator Cook has acknowledged that—I do not see it as enlarging the issue to one of major and broad market considerations.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.35 p.m.)—We do understand where Senator Murray is coming from. We do not have an objection to the words 'regard is to be had to the nature of the technical process involved', as long as the words that 'no regard is to be had to any market considerations' go in tandem with them. You have to have the two together.

We do not have an objection to the last words in opposition amendment No. 15—that is, that 'regard is to be had to the nature of the technical process involved'. However, we do not believe you can substitute those words for 'no regard is to be had to any market considerations'. We must have those words in there from our point of view. Otherwise, you would end up with a discriminatory situation that is unfair. It would be an unfair and potentially abusive use of the rebate scheme.

Senator Murray—Senator Campbell, would you move such an amendment?

Senator CAMPBELL—If the opposition were to amend their amendment to remove the words 'no regard is to be had to any market considerations', then the government could accept it.

Senator COOK (Western Australia) (6.36 p.m.)—This is a triangular argument, and it was just handballed back to me. I think the offensive words are 'no regard is to be had to any market considerations'. It is just so broad. By including that in the same sentence as 'regard is to be had to the nature of the technical process involved', the immediate issue is which 'regard is to be had' overrides the other. I think the broadest one—'no regard is to be had to any market considerations'—is so broad that it would block the regard that ought to be appropriately had to the technical processes involved.

If you included both it seems to me entirely the case that the government gets its way and the objective that I am trying to achieve is thwarted, which is that the rebate is to be able to be held on the broadest and most ill-defined of all considerations—market ones.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.38 p.m.)—For the benefit of breaking the triangle, I am going to suggest that if the Senate defeats this opposition amendment, then the government will move an amendment to our amendment No. 6 to add the words 'regard is to be had to the nature of the technical process involved'. You might have to put in some punctuation or a word like 'and'.

The TEMPORARY CHAIRMAN (Senator Patterson)—Is that 'and regard is to be had to the nature of the technical process involved'?

Senator CAMPBELL—To clarify, at amendment 6, after 'subsection (7D)' on the second line there are the words 'or those ores'. You will then insert the words 'regard is to be had to the nature of the technical process involved' and then the amendment will go on to read 'but no regard is to be had to any market considerations', et cetera.

Amendment negatived.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.39 p.m.)—by leave—I amend my amendment as follows:

> Section 164(7D), omit "no regard", substitute "regard is to be had to the nature of the technical process involved, but no regard".

Amendment agreed to.

Amendment (by **Senator Campbell**) proposed:

(7) Schedule 1, item 24, page 12 (line 9), after "(7B)", insert ", (7C), (7D)".

Senator COOK (Western Australia) (6.40 p.m.)—The opposition will support this amendment.

Senator MURRAY (Western Australia) (6.40 p.m.)—The Australian Democrats will support the amendment.

Amendment agreed to.

Senator COOK (Western Australia) (6.41 p.m.)—I move:

(14) Schedule 1, item 24, page 12 (lines 10 to 12), omit ", to be construed in their own terms and not by reference to paragraph (a) or (b) of the definition".

It is very difficult to set out succinctly what this opposition amendment does. It goes back to the definition of 'mining'. Our amendment is to lines 10 to 12 of page 12, section 24 of the bill, to omit the words in those lines 'to be construed in their own terms and not by reference to paragraph (a) or (b) of the definition'. For the definition of 'mining operations' I need to go to page 8 of the bill. Section 13 states:

(a) exploration or prospecting for minerals, or the removal of overburden and other activities undertaken in the preparation of the site to enable mining for minerals to commence; or

(b) operations for the recovery of minerals, being—

Then paragraphs (i) and (ii) follows. Senators will remember that the opposition sought to amend the word 'being' as it appears in that sentence to 'including' so that, rather than this provision being a provision narrowing the entitlement, as it does in its current form given the earlier vote on this matter when our amendment was defeated, it would have been an amendment that maintained the present situation in the act. The amendment that I am now moving has a similar effect in that under these paragraphs you could not construe the definition of 'mining operations' by reference to those narrowing provisions. As a consequence I suspect I know what the outcome of this vote will be. The effect would be similar to the amendment that we moved earlier and lost.

Senator MURRAY (Western Australia) (6.44 p.m.)—The Australian Democrats will oppose the amendment.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.44 p.m.)—I am happy that the Australian Democrats are opposing this.

Senator MARGETTS (Western Australia) (6.44 p.m.)—I think this is another extremely odd issue within this bill. I guess we need to know exactly why the government would have problems referring to (a) or (b) of the definition, which fundamentally ties peripheral eligibility to what most people would consider to be actual mining.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.45 p.m.)—In a way, it is similar to the argument I put on the first amendment when we resumed. The existing definitions of mining operations as you go past (a) and (b)—(c), (d), (e), (f), (g)—do not, I am informed, tend to broaden the eligibility. They tend to define it specifically. The government's advice and belief is that, if we do what the opposition's amendment seeks to do, we will actually broaden it. In other words, all of the places that are defined are not read specifically. They will be read by lawyers in the expansive definition, as op-

posed to the quite specific definition that section 164(c) onwards link it to, the operations at those particular places.

Senator MARGETTS (Western Australia) (6.46 p.m.)—Is there any potential for contradiction when you refer to clauses such as clause (s), that is, the removal of waste products of a mining operation referred to in paragraph (a) or (b) from the place where the mining operation is carried on? If we are directed by law to construe this in its own terms and not by reference to paragraph (a) or (b), does this mean that it is about removal of waste products from mining but not in reference to paragraph (a) or (b), or do we interpret the law to say that, by construing this in its own terms, it is in reference to (a) or (b)?

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.47 p.m.)—The concept that describes it best, at least in my mind and, I hope, for the Senate, is that the letters below (c), 164(c) and onwards, create islands of eligibility that do not conflict with (a) and (b); they are read in conjunction with (a) and (b). But if you then de-link them, as this would do, you can then broaden the eligibility.

Senator MARGETTS (Western Australia) (6.48 p.m.)—Perhaps the parliamentary secretary could also clarify if anyone would interpret (e), for instance, as meaning that liquefaction of gas could only apply in relation to an activity described in (a) or (b). Surely it is quite clear that that would not apply.

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.49 p.m.)—That, I am told, is correct. However, if you de-linked it, you could use what is in the sections other than (a) and (b) to expand what is in (a) and (b).

Amendment negatived.

Amendment (by **Senator Campbell**) proposed:

Schedule 1, item 24, page 12 (after line 12), after subsection (9), insert:

> (10) The regulations may provide that, without otherwise affecting the ordinary meaning of beneficiation, a particular process, or a particular process in respect of a particular mineral or of ores bearing a particular mineral, is, for the purposes of this Act, a beneficiation process, or a beneficiation process in respect of that mineral or those ores, as the case requires.

Senator MARGETTS (Western Australia) (6.49 p.m.)—Perhaps the parliamentary secretary could give us more detail before we are required to vote on this. My understanding is that this is a measure to allow government to make decisions on what processes to which substances are included in beneficiation. It is said in the positive, that is, that the minister can say that such and such a process is included under beneficiation; otherwise the ordinary meaning of beneficiation prevails. The implication one could get is that regulations can extend the definition but not restrict it.

A second implication is that legislation provides the basic definitions and eligibility and regulations are only to be used for exceptions. Can we avoid a situation where regulations become so pervasive that they become the de facto definition of what is in or out, effectively replacing legislation? Perhaps the parliamentary secretary could give us some clarification here.

Senator MURRAY (Western Australia) (6.51 p.m.)—Before the parliamentary secretary responds, are the regulations disallowable?

Senator CAMPBELL (Western Australia—Parliamentary Secretary to the Treasurer) (6.51 p.m.)—Yes, the regulations are disallowable and I am informed that this power has not been used to date. It is not to say that it would not be used. But, as Senator Murray has pointed out, they are regulations which are disallowable. Therefore, any concern about this becoming a problem and becoming a substitute for primary legislation can be allayed by taking action in the Senate.

Amendment agreed to.

Senator MURRAY (Western Australia) (6.52 p.m.)—by leave—I move:

> (5) Schedule 1, item 25, page 20 (lines 2 to 4), omit "section 164A, subsection (8) of this section or paragraph 234(1)(c) or (d), in relation to diesel fuel rebate", substitute "section 164A or subsection (8) of this section".

(10) Schedule 2, item 10, page 38 (lines 35 to 37), omit "78AA, subsection (8) of this section or paragraph 120(1)(vc) or (vi), in relation to diesel fuel rebate", substitute "78AA or subsection (8) of this section".

I was a little surprised that amendments 5, 10, 6 and 9 were not all grouped together because they refer pretty well to the same things. I will not speak twice to them. I will just speak to amendments 5 and 10 and then wait until 6 and 9 come up. Presumably there is a good reason for their being separated.

What we are referring to here is what is known as the right to silence and the right to appeal. It particularly affects the farming fraternity. The Senate Scrutiny of Bills Committee, in *Alert Digest* 1/97, identified a problem of civil liberties and natural justice. It said—I apologise if this all gets a bit convoluted:

Item 25 of schedule 1 and item 10 of schedule 2

These items would insert proposed subsection 164AC(15) into the Customs Act 1901 and proposed subsection 78AD(15) into the Excise Act 1901. These sections refer to the powers of the Chief Executive Officer of Customs (CEO) to obtain information for the purposes of auditing a particular diesel fuel rebate application.

These subsections, if enacted, would take away the right of a person to remain silent . . . that may result in the person incriminating himself or herself, thus exposing the person to prosecution for, and perhaps conviction of, a criminal offence.

. . . . . .

Taking away this right undoubtedly trespasses on personal rights and liberties. Whether it trespasses unduly on personal rights and liberties will depend on the context in which it is done. The issue is whether the advantage to the common good outweighs a loss to the individual of taking away the right to silence.

. . . . . .

The adverse effect of taking away the right to silence is partially mitigated by the protection included in the proposed subsections . . .

The protection, however, is quite inadequate because it does not grant immunity from prosecution under paragraphs 234(1)(c) or (d) of the Customs Act 1901 or 120(1)(vc) or (vi) of the Excise Act 1901 in relation to the diesel fuel rebate.

We believe that citizens and organisations do need safeguards against the power of the state. Many government entities, including Customs, have historically had to be reprimanded and constrained by the courts. The other problem is a lack of rights of appeal to some Customs and Chief Executive Officer, Customs decisions. Customs is an organisation with considerable powers, sometimes exceeding those of the police. I do not accept that there should be situations where Customs can be accuser, judge and executioner, and that is how we read the act as it stands.

Therefore, I have introduced these amendments for rights of appeal where they do not exist. Judging by the experience of the cement industry, which had the runaround from Customs and has now lost, I think it is wise to be cautious of expecting Customs to always operate consistently and fairly. Our belief is that these amendments and amendments 6 and 9 will follow on later in the same vein. These amendments will improve the rights of those subject to the requirements to put in their returns and to answer questions concerning those returns. Accordingly, I seek leave to include amendments 6 and 9 with amendments 5 and 10 already moved.

Leave not granted.

Progress reported.

ORDER OF BUSINESS

Government Business

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

That intervening business be postponed until after consideration of government business orders of the day No. 3 (Reform of Employment Services Bill 1996 [1997] and a related bill) No. 5 and (Constitutional Convention (Election) Bill 1997).

TAXATION LAWS AMENDMENT BILL (No. 3) 1997

Report of Superannuation Committee

Senator HEFFERNAN (New South Wales)—I present the report of the Select Committee on Superannuation on the provisions of schedules 1, 9 and 10 of the Taxation Laws Amendment Bill (No. 3) 1997, together with submissions received by the committee and transcript of proceedings.

Ordered that the report be printed.

Sitting suspended from 6.58 p.m. to 8 p.m.

REFORM OF EMPLOYMENT SERVICES BILL 1996 [1997]

REFORM OF EMPLOYMENT SERVICES (CONSEQUENTIAL PROVISIONS) BILL 1996 [1997]

In Committee

Consideration resumed from 30 May.

REFORM OF EMPLOYMENT SERVICES BILL 1996 [1997]

The TEMPORARY CHAIRMAN (Senator Reynolds)—The committee is considering the Reform of Employment Services Bill 1996 [1997] as a whole and amendments 2, 3, 5, 6 and 7 moved by Senator Chris Evans for the opposition and the Australian Democrats. The question is that the amendments be agreed to.

Senator CHRIS EVANS (Western Australia) (8.00 p.m.)—When we completed debate on the Reform of Employment Services Bill a couple of weeks ago, we had begun the debate on amendment Nos 2, 3, 5, 6 and 7, which I moved as a group because they all go to inserting definitions of services and other matters into the government's bill. We had some discussion across the chamber as to whether or not there was any prospect of agreement on these matters. I think, from what the minister said, there probably is not.

I have had another look at our proposals and we are very much of the view that they ought to be insisted upon on the basis that the bill provides just the bare bones of a framework and it is very important in our view that the bill be enhanced to provide a commitment from this parliament to providing services to unemployed persons. We are most concerned that, without the totality of amendments we have moved, those services may not be provided. These amendments are part of the structure we are trying to put in place, the different model that Labor and the Democrats are arguing for which spells out commitments to provide services to unemployed persons in Australia.

The actual definitions are those that the government has included in other documentation. But, for some reasons, it sees fit not to include them in the bill. We think it is important that they are included. If we fail in this bid to include the definitions, particularly in relation to the definition of employment services, we will have concerns that the bill will not allow the provision of services to those other than those on unemployment benefits. Clearly that has been the government's intention—to restrict this bill to providing services only to those on unemployment benefits and to exclude the 400,000 or so other Australians who are currently accessing those sorts of services.

So we think these amendments are necessary. We think they help flesh out the government's obligations and give substance to what the government claims is its intentions. We are worried that a lot of these assurances are not reflected in the bill. Since we last debated this bill, we have had the recent unemployment statistics, which confirmed the fact that unemployment remained a serious and untackled problem in this country, that there were more people looking for work than in the previous month and that the numbers of long-term unemployed are increasing.

It is disgraceful that, in that context, we are debating a move by the government to reduce services to unemployed persons in this country. As I have said previously, the government has not made that all that explicit in either the debate or the bill. But the effect of this bill is to reduce services to unemployed Australians as well as to implement the new competitive market, which the government talks a lot about. So we think it is very important that these definitions are inserted as part of that alternative framework we are seeking to place within the bill.

Question put:

That the amendments be agreed to.

The committee divided. [8.10 p.m.]

(The Chairman—Senator S. M. West)

Ayes	34
Noes	32
Majority	2

AYES

Allison, L.	Bishop, M.
Bourne, V.	Brown, B.
Carr, K.	Collins, J. M. A.

AYES

Collins, R. L.	Colston, M. A.
Conroy, S. *	Cooney, B.
Crowley, R. A.	Denman, K. J.
Evans, C. V.	Faulkner, J. P.
Forshaw, M. G.	Harradine, B.
Hogg, J.	Kernot, C.
Lees, M. H.	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.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferguson, A. B.	Gibson, B. F.
Heffernan, W.	Herron, J.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	Macdonald, S.
MacGibbon, D. J.	McGauran, J. J. J.
Minchin, N. H.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.

PAIRS

Bolkus, N.	Chapman, H. G. P.
Childs, B. K.	Ferris, J
Cook, P. F. S.	Hill, R. M.
Foreman, D. J.	Kemp, R.
Gibbs, B.	Newman, J. M.

*** denotes teller**

Question so resolved in the affirmative.

Senator CHRIS EVANS (Western Australia) (8.15 p.m.)—by leave—I move:

(4) Clause 5, page 6 (line 4) at the end of the definition of ***employment services provider,*** add "and includes ***PEPE***.".

(8) Clause 5, page 6 (after line 18), after the definition of ***participant,*** insert:

PEPE means the Public Employment Placement Enterprise established by section 1 5A of this Act.

(9) Clause 5, page 6 (after line 23), after the definition of ***personal information,*** insert

private employment services provider means an employment services provider other than ***PEPE***.

These are the first of the sets of amendments which seek to incorporate into the legislation the public employment provider, or PEPE as it is more widely known. The government, in originally announcing its move to a competitive market, guaranteed a role for a public provider and announced that that would be contained in the legislation. Some time subsequent to that, the government announced a change in policy which provided for the PEPE to be a private corporation.

As we see from a review of this bill, there was actually not any mention at all in the legislation of the role of the public provider of employment services. If the bill is enacted unamended, then the government may or may not establish a public employment provider. It may or may not seek to continue that in years to come. The parliament would have no say in that matter. We would have no opportunity to review any decision to wind down the services of the public provider or, in fact, review a decision to wind up the public provider.

In this year's budget, the government included $180 million for the costs of establishing the PEPE. But, quite frankly, apart from that announcement there is very little detail. On questioning at the Senate estimates, we were unable to get any specific detail about the nature of the corporation and the nature of the advance in terms of whether that money had to be repaid or not. A whole range of issues still remain unanswered.

We, in moving these amendments, are seeking to define the PEPE within the legislation and also to define private employment placement enterprises. We have set up a structure where the public provider and other providers are defined and established within the legislation so the things that the government assures us that they are going to do are entrenched in the legislation and, if there is any suggestion to walk away from what they have assured us is going to be the method for the new market, then they will require some sort of parliamentary scrutiny of that.

We see this very much as giving effect to the government's assurances regarding the role of the public provider. It would, of course, be a very retrograde step if, after providing the Commonwealth employment services to the Australian unemployed since

1946, we were to end up in a situation where there was no public provider at all. We are very anxious to make sure that it is contained in the legislation.

I want to make the point also—and perhaps this will be debated a bit later on—that this is not some mad socialist plot to establish one big gigantic public bureaucracy inside the employment market. In fact, we are accepting that the PEPE will compete on competitive terms with both private and community based organisations and that it ought to be able to find its niche and level in that market. None of our amendments seek to guarantee its share of the market or its role, other than later on seeking to make sure that it provides labour exchange services to those people whom the government currently intends not to fund for labour exchange services. That is the one thing that we do seek to prescribe in a later amendment.

I did want to make the point also that I have concerns, not that in some way this will compete to the detriment of the community services sector but that the community services sector will not be funded sufficiently for them to be able to compete. I will be raising that with the minister later. The minister would be aware of a range of letters from skillshares and other providers concerned about their ability to compete in the new market. We do not see the PEPE as operating in a way so as to exclude those groups from the market. In fact, we think that they have got a vital role to play and ought to be encouraged. We are concerned that, under the government's announced arrangements, they may not play the role that I think they ought to, given their expertise and the investment they have made in assisting unemployed persons already.

Question put:

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

The committee divided. [8.25 p.m.]

(The Chairman—Senator S. M. West)

Ayes	34
Noes	32
Majority	2

AYES

Allison, L.	Bishop, M.
Bourne, V.	Brown, B.
Carr, K.	Collins, J. M. A.
Collins, R. L.	Colston, M. A.
Conroy, S. *	Cooney, B.
Crowley, R. A.	Denman, K. J.
Evans, C. V.	Faulkner, J. P.
Foreman, D. J.	Forshaw, M. G.
Harradine, B.	Hogg, J.
Kernot, C.	Lees, M. H.
Lundy, K.	Mackay, S.
Margetts, D.	McKiernan, J. P.
Murphy, S. M.	Murray, A.
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.	Alston, R. K. R.
Boswell, R. L. D.	Brownhill, D. G. C.
Calvert, P. H.	Campbell, I. G.
Coonan, H.	Crane, W.
Eggleston, A.	Ellison, C.
Ferguson, A. B.	Gibson, B. F.
Heffernan, W.	Herron, J.
Knowles, S. C.	Lightfoot, P. R.
Macdonald, I.	Macdonald, S.
MacGibbon, D. J.	McGauran, J. J. J.
Minchin, N. H.	O'Chee, W. G. *
Parer, W. R.	Patterson, K. C. L.
Payne, M. A.	Reid, M. E.
Synon, K. M.	Tambling, G. E. J.
Tierney, J.	Troeth, J.
Vanstone, A. E.	Watson, J. O. W.

PAIRS

Bolkus, N.	Chapman, H. G. P.
Childs, B. K.	Ferris, J
Cook, P. F. S.	Hill, R.M.
Gibbs, B.	Newman, J. M.
Neal, B. J.	Kemp, R.

*** denotes teller**

Question so resolved in the affirmative.

Senator CHRIS EVANS (Western Australia) (8.29 p.m.)—I move:

(10) Clause 9, page 10 (lines 4 to 11), omit the clause, substitute:

9 Provision of Employment Services

(1) The Employment Secretary must, on behalf of the Commonwealth, engage entities, including PEPE, to provide employment services.

(2) The terms and conditions of the engagement of an entity, including PEPE, to provide employment services are to be set out in an agreement in writing between the Employment Secretary and the entity.

(3) The Employment Secretary must not engage an entity (other than PEPE) to provide employment services unless the entity is an accredited employment placement enterprise.

(4) It is a condition of an agreement under this section that an entity, including PEPE, must not demand or receive any fee or other similar consideration from an employer or a jobseeker in respect of employment services provided under the agreement.

This amendment seeks to substitute a new clause 9, which reflects the provisions of the government's bill, but adds two further measures. It includes reference to PEPE, as one of the entities engaged to provide employment services, but then adds two new provisions. The first provides that the employment secretary must not engage in an entity that is not an accredited employment placement enterprise. That refers to our attempt to assert in the bill accreditation of EPEs to ensure proper standards are established and maintained.

The second provision, contained in subclause (4), seeks to make it a condition of an agreement under this section that an entity, including the PEPE, must not demand or receive any fee or other similar consideration from an employer or a job seeker in respect of employment services provided under the agreement. Madam Temporary Chair, you would probably be aware that there has been a bit of a debate in recent times about who can and cannot charge for services for EPEs. It has been quite well canvassed.

I think the Minister for Employment, Education, Training and Youth Affairs (Senator Vanstone) was going to come into the parliament to correct some information that was given in the last session. In this amendment we spell out, in a sense, the role of PEPEs and EPEs. We also make it very clear that, where an agreement is established, neither the PEPE nor the EPE is allowed to charge fees to the job seeker nor to the employer in addition to that being met by the government. So the amendment is to establish that regime.

Senator KERNOT (Queensland—Leader of the Australian Democrats) (8.31 p.m.)—I do not want to repeat the comments of Senator Evans, except to say that I think the two important aspects of his amendment to the Reform of Employment Services Bill, which can be read together with amendment 13, are to focus on strengthening the role of the PEPE and the provision for accreditation. It is really important that we do not let just any old body roll up and say, 'I can do this job.' The public has to have confidence in basic standards being set for EPEs to meet.

I will go into some details later on and will raise some questions about who is going to line up and how this system can be exploited. We want to make sure that, in the balance of things, there is a strong PEPE, that there is as universal access as possible within a competitive regime and that those who want to be EPEs actually can prove that they can do the job.

It is like the child care accreditation debate in many respects: you do not let just anybody do it; people have to prove that they can meet basic standards to provide the services. I want to reiterate something that builds on what Senator Evans said: all Australians, regardless of whether or not they are receiving unemployment benefits, should continue to have access to high quality labour exchange services.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (8.33 p.m.)—I thank Senator Evans for reminding me: I indicated to a Senate estimates committee that I thought I had misled the public and the Senate on one matter. Relatively speaking it was minor. Nonetheless, I said that some states had legislation which prohibited charging for job placement and some did not, and, in the list of states that had legislation prohibiting it, I incorrectly included South Australia. The basic point remains the same—some states have legislation prohibiting it, some do not. But the list was incorrect in that South Australia was included on the wrong side.

I hope Senator Evans has engaged himself in asking Mr Ferguson to go on radio and assure the workers of Newcastle that Mr Ferguson's interpretation of the New South Wales law was, in fact, wrong. It is a very sad thing. There are people in New South

Wales, around Newcastle, who are concerned about their future. They have jobs for I think up to two years from now and therefore will be looking to find new work, presumably under the proposed new regime, and will be concerned as to whether they could be charged or not. I have never complained about correcting an error if I have got it wrong. I just wish that the opposition spokesperson would do the same.

As to Senator Evans's amendments, Senator Kernot says that we have to have a requirement for accreditation because we cannot have any old body rolling up and delivering employment services and that the public must have confidence in basic standards. The inference she seeks to make is that, if we do not have accreditation, any old body will roll up and get a contract and the public will not have any confidence.

Of course, any old body will not roll up and get a contract. When you are putting nearly $2 billion worth of work out to tender, with a very elaborate tender process and with proper outside probity advice, it is unimaginable that any old body on a regular basis would just roll up and get a Commonwealth job.

If Senator Kernot thinks that little of the Commonwealth's capacity to do tenders, I do not know where she has been for the last few years. Sure there are mistakes in tenders. Sometimes the wrong person gets the job. In a very big contract for $2 billion worth of work, there might be one provider that gets a job that should not—one or two, some small amount.

Generally speaking, do I have confidence in the capacity of the Commonwealth to tender out this work? Yes. If you tender out the work, do you tender it out to any old body, as Senator Kernot likes to refer to them? No, you do not. You obviously satisfy yourself as to a number of matters, including the financial viability of the people offering the service and the record of service that they have been able to offer in the past.

Senator Kernot also says she agrees with Senator Evans that all Australians should have access to labour exchange services. All Australians will have access to the Commonwealth job vacancy database. They will be able to search that by their local region, by their state and Australia-wide. But the government makes no apology for saying that we have designed a system that, in any queue for a job available, an employment placement enterprise—whether it is a private one or the public one—will put, where it can, an unemployed person on benefit first. I would like to hear an argument that says that, with so many people unemployed and on benefits, we should not put them first in a queue for a job when it comes up.

Senator Kernot—Nobody's saying that.

Senator VANSTONE—Senator Kernot interjects and says nobody is saying that but the import of the amendments is such that all job seekers would be treated equally. The fact of what Senator Kernot is arguing—she does not want to say it this way because it is an ugly reality for her to have to face—is that this government is absolutely determined to put unemployed people on benefits first in any queue for a job that is available. We are determined to achieve that. I think on that basis senators might see why—*(Quorum formed)*

Could I conclude on what I think is one of the very essential points about the new system. Shifting to a tender process means we are going to have a very rigorous tender evaluation process, which will include a check on conformity with the tender conditions, that they are all available; a check on financial viability; and an assessment against standard selection criteria for each of the five services. We are going to rely on surveys of job seekers to assess the performance of service providers against the standards of service established in contracts; that is, we are actually going to go to the unemployed people and say, 'How do you think this service is benefiting you?' We have also indicated agreement to a code of conduct, which we think is very important, and a regime of performance audits on how the market is working.

To add onto that an additional accreditation system simply means that you will have one bunch of people doing the accreditation, then it will go off for tender and the tender people will have to redo that work. It is simply

duplication—nothing more. I had thought during discussions I had with Senator Kernot that she appreciated this point.

Senator Kernot also makes the point that she wants a strong universal service within a competent regime provided by people who can prove they can do the job. People are going to have to prove they can do the job. I believe it will be a competent regime.

It is a universal service in terms of access to job vacancies but it is not a universal service in terms of all employment services. You do not have that now, Senator Kernot. Australians do not have universal access to all employment services now, so let no-one pretend that they do—they simply do not. What Labor had designed as being case management is not available to all who want it. In respect of funds available, I have no complaint about this because there is no money tree. Labor was not able to meet the demand for case management. There has never been a situation where you could go and knock on the door and ask for whatever service you wanted.

In addition to that, proposed subclause 9(4) seeks to indicate that an employment service provider will not be able to demand payment from an employer or a job seeker. I think that is just plainly ridiculous. They will not be able to demand payment from a job seeker whom the government is intending to assist; that is, an unemployed person on a benefit and young Australians looking for work. Generally speaking, that is a fair description of the category. I do not see why any Australian government should put services for someone who wants to change their job ahead of services for someone who is unemployed, on a benefit and looking for work.

We have had 13 years of unacceptably high unemployment. The community is impatient; we are all impatient. Regrettably, we have to be patient and wait for the results of the changes we have made to fix that. In the meantime, while we are waiting for the effects of the changes we have made—which we believe will make a difference, will wash through the economy and will start to eat into the intolerably high unemployment we have—I do not think and this government does not think it unreasonable to put all of our efforts, all of our moneys and all of our care and attention first towards the people who are unemployed and on a benefit.

I would have thought members opposite who contributed to putting them there would have supported us on that basis, but they do not. They want other people who are not in need of a benefit—people who have got a job and would like to change jobs, people who want more hours—to get the same attention as an unemployed person on benefit, and we think that is wrong. We are determined to put unemployed people on benefit first in any queue for a job, and consequently we simply cannot accept these amendments.

The point is made that an employer should not be able to be charged. Employers are charged now. They go to Drake Personnel or one of those temp services and say, 'Send me someone,' and they are charged. I understand the charge relates to a proportion of the salary. And you want to undo that, presumably, and say that all of this should be provided gratis by the PEPE, and not just by the PEPE but, if I understand your amendment, by the EPEs as well. I do not know where the nirvana land is that you think we have arrived at, because the economic hellhole you put us in means we are quite a way away from being at that point. We have limited resources, and I conclude by saying we are determined to ensure that those limited resources go first to unemployed people on benefit and to young Australians.

Senator KERNOT (Queensland—Leader of the Australian Democrats) (8.46 p.m.)—I just want to take up a couple of those arguments. I think that the criteria that the minister spelled out are good, relevant criteria, and agreement to a code of conduct is good too, but it all relies on an essential acceptance that governments never get tendering processes wrong. In the public domain at the moment we have two examples—and admittedly it is at the state level—where the tendering process has gone awfully wrong. One is the ambulance service in Victoria: there are questions of probity of the process there. And in Queensland it has just been highlighted that a major tourism tender has

been given by the government to two declared bankrupts. I know you are putting in place reasonable criteria but I think it is wrong to assume that you will always get it right and that this extra scrutiny is not required.

You talk about ugly realities. The ugly reality is the choices governments make about rationing. You say there are limited resources, and there are. But governments choose priorities, and your government has really chosen to spend very little on job creation. So we are setting up all these employment service providers for practically non-existent jobs at the moment, and I think that too is one of the fundamental problems with this. You say that we are spending a couple of billion to get this process right and you give us a heart-rending, 'We are going to put unemployed people first,' and that sounds most appropriate. But you are excluding—very unfairly, I think—married people or people in a de facto relationship with a working partner.

You are assuming that having some work is the determinant, whether it is one hour a week, two hours a week or four hours a week. That is not much work, and you are saying that that puts them well below the status of unemployed, whereas in this country at the moment there are so many underemployed Australians, and I do not think it is fair that you exclude them from the right to upgrade their job, because underemployment is quite a serious problem.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (8.49 p.m.)—My office is happy to provide you with more briefings on this but, as I am advised, you can have one hour a week work and you will be on full benefit. You wizen up your face and say, 'Oh, I did not mean that.' But the facts are that you say that we will not provide assistance to people who have got some work, even one hour a week. You did say that.

Senator Kernot—Yes.

Senator VANSTONE—Yes. I am just clarifying for you that if you are on benefit—however little the benefit is, however much it is reduced to—you will have access. I am indicating to you that the unemployment benefit system—a system designed primarily by the Labor Party, in conjunction with your party, as it stands at the moment, with some changes we have made since the budget—is the system which identifies to the community at large those who are most in need. We all accept that the social security system describes and outlines for us those who are most in need.

Senator Kernot interjecting—

Senator VANSTONE—You cannot get away from it, Senator Kernot. You can think of any other description you like for it, but in the end you must agree that the social security system identifies for us those who are most in need. There are others who are needy, but they are less needy than those who are on benefit. That is why we say one of the key criteria is that, if you are on a benefit and described therefore by the social security system as being one of those most in need, we will put you first.

You stand up, Senator Kernot, and give a heart-rending plea for the other people who might also be in need but are less needy. We freely and openly and confidently say that, when push comes to shove in allocating where the resources are going to go, we will give them to the most needy. We will give them to the people who are on benefits and unemployed. We will give them assistance over and above someone who has got sufficient work that they are not on a benefit. I do not deny that someone who has got sufficient work that is not on a benefit might also want more work. I do not deny that. But they are in a better position than someone who is on a benefit.

I understand very clearly, Senator, the degree to which there is hidden unemployment and underemployment in Australia and in most other countries. This is not something particular to Australia. The hidden unemployed are those who have given up looking for work. They do not show up in the labour force at the moment. They come back in and that is when you see a rise in the participation rate—that is the hidden unemployed coming back. The underemployed are those people who have got fewer hours than they want and would, if the opportunity came, take more work.

I do not deny the needs of those people but, in the end, the key criterion is, if you are on a benefit, you are judged by the community to be in more need than those who are not. That is why we will put the most needy first in the queue. If we could talk about a situation where we had a lot fewer people who were in that position, we might have some resources to distribute around. But right at the moment, with unemployment being at the level that it is, we do not—and those people must come first.

Senator, you raise another fallacy. You put your hand on your heart and you have a very sweet expression on your face—a very sweet expression on your, generally speaking, quite sweet face. You say that you are worried about the tender process and you are not sure that governments can do it well. *(Quorum formed)*

Senator Kernot has a heart-wrenching concern for getting the tender process right. She points out that apparently an ambulance service tender went wrong in Victoria—that may be the case; I do not deny that—and she says that, apparently, some major tourism things in Queensland have gone wrong.

Senator Kernot—Just in the last couple of weeks.

Senator VANSTONE—'Just in the last couple of weeks', she says. Well, she has got time to check on all these things. I have indicated that I do not expect that a tender process is ever necessarily free from any fault nor do I think the existing process is free from any fault. I am quite sure it is not; that is why we want to change it.

Senator, you are not sure that governments can tender properly—that they might mess it up. But you forget to mention that the process by which you seek to fix it is by giving the same government another job and that is to accredit them. You see, they are the same people who would be doing the job. So you are deluding yourself. If the government is not capable of tendering, it is not capable of accrediting. If it is capable of accrediting, it is capable of tendering.

What you want to do is divide those jobs and make them into two separate jobs. We say that is a waste of time and money; it is duplication; it is bureaucracy gone mad; and the money that could go into that should go into benefits for unemployed Australians. That is where the government money should be going—more into services not into bureaucrats deciding who should distribute them.

Senator CHRIS EVANS (Western Australia) (8.58 p.m.)—I want to make a couple of quick points in response to the minister. I think the debate did not relate to the amendment before us currently, which is the amendment to clause 9. I make the point that the minister sets up this straw person argument which is that, for the first time, we are going to give priority to those most in need. Well she is introducing nothing new. Of course, as she says, all governments have provided extra services and more services to those most in need, and the previous Labor government provided intensive assistance to the long-term unemployed.

What she does not articulate is that what this bill is all about is removing services provided to unemployed people since 1946, removing basic labour exchange services from 400,000 people currently registered. That is what it is about. That is not about prioritising assistance, Minister. That is about removing a fundamental service, guaranteed by our ILO obligations and supported on a bipartisan basis for the last 50 years, from 400,000 Australians who need those services.

That is what that is about and this argument about putting the most in need first is a straw person argument. It is nonsense because it has always been done. It will always be done. No-one is arguing that point with you. You try to set it up as if that is what this is about. It is not about that at all. Nothing in any of the amendments stops you from providing intensive assistance to those classified as being most in need of assistance. But what these amendments do, is insist that the basic community service obligation of providing labour exchange services to all Australians seeking work is maintained, that the service we have been able to maintain through depression and boom for the last 50 years continues to be maintained.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.00 p.m.)—I just want to briefly respond to what Senator Chris Evans said. Of course, during Labor times, we have had boom and bust. Senator Evans is right. We know that boom is very good for the wealthy and the educated and that bust is very, very bad for the low skilled, the unskilled and the people on the margins of the employment area.

Senator Evans would have some experience of understanding what happens in a boom and bust. That is precisely why this government is looking at keeping us away from the boom and bust mentality and getting us back to where we belong, and it is within our grasp to get there. It is within our grasp to get to a long period of stable growth and stable low inflation. That will do more for Australia than the damage done by a boom and bust era.

Senator Evans says that we are taking away services. At the moment, an unemployed person on a benefit is, if you like, competing with all others for the provision of services, and I am talking about something more than simply accessing the database.

An unemployed person would go into a CES, as would other people who are classed as the underemployed, the hidden unemployed or the spouses of people who have jobs. In a sense, the unemployed compete for services. There is not a queue that says, 'If you're unemployed and on benefit, come here and we'll deal with you first.' Do not pretend there is, because there is not. They are treated equally with all the others, and they should not be. They should be put first, and we are just the people to put them first.

Senator Evans, do not pretend that they get a priority service now. They do not. When unemployed people walk into the PEPE—the old CES—Drake Personnel or the Brotherhood of St Laurence, they are seeking help. These people have been on benefits and they want a job, so of course they want help. But at the moment, when they go in looking for help, they have to take what is given.

Probably the greatest value of our reform to this system is that these people will be able to walk in with their shoulders back and their head a bit higher because a bucket of money is attached to them. All of a sudden, they will be much more important to the service they go into.

Senator Kernot—That is a terrible view of the world.

Senator VANSTONE—Senator Kernot interjects that it is a terrible view.

Senator Kernot—Of the world.

Senator VANSTONE—Senator Kernot does not agree. But I happen to think and the government believes that, if unemployed people on benefit can go in knowing that the service they are asking for is going to be paid for by the Commonwealth and knowing that them getting the placement is important to this business—because without them getting the placement that business will not get the money—then those people will be much more important to that business than they currently are.

We firmly believe—and you may disagree, Senator Kernot—that, under the changes we want to propose, the Commonwealth will end the segregation that has happened in employment services. That is effectively what has happened. People on a benefit can go to the CES, but they cannot go to get labour exchange services with Commonwealth help from Drake Personnel, Morgan and Banks or any of the other specialised people. Oh no, that is only for the wealthy. We are going to change all that.

All of a sudden, unemployed people on a benefit will be able to walk into any one of those places of their choice and we will pay the bill for them. They will not be segregated any more into employment services which are only provided by the Commonwealth. The opposition might think it is appropriate that there be a Commonwealth provider and that that will do for unemployed people on benefit. We do not. We will pay for them to have as much choice in their employment service provider as has any wealthy person. They will be able to choose who they go to.

They can look jobs up on the database and, if there is a job offered by Morgan and Banks, they can go there and, if Morgan and Banks get them the job, we will damn well

pay Morgan and Banks. There is nothing in the system that you want to protect that offers anything like that service to unemployed people on benefit.

So disagree if you like, but do not come and pretend that we are offering a lesser service to unemployed people on benefit. We are not. We are going to end the segregation that you would cast them forever into. We are going to give them the opportunities that other people with more money and more resources have been enjoying for years—opportunities which have enabled them to get first crack at the jobs. They will be able to go into those places knowing that we will foot the bill on their behalf. You can reject our system if you want, but that is the system we want to introduce.

Senator HARRADINE (Tasmania) (9.04 p.m.)—We are actually dealing with, as I understand it, the amendment that reads:

Clause 11, page 11 (lines 5 to 17), omit the clause, substitute:

That is what we are on about, isn't it?

Senator CHRIS EVANS (Western Australia) (9.05 p.m.)—My understanding is that we are still on Labor and Democrats amendment 10, which was to delete clause 9 of the bill and replace it with a new clause 9. That is what I thought we were debating, but the intervention by the minister did make me wonder.

Senator HARRADINE (Tasmania) (9.05 p.m.)—That is where I have been confused.

Senator COONEY (Victoria) (9.05 p.m.)—Senator Vanstone, I understand the proposition you are putting. Your whole scheme is about ensuring that people who are bereft of the opportunity of working should get priority. I just wonder whether there is anything in your draft contract that brings that out sufficiently. Is there anything in your draft contract that sends that message out or does your draft contract send out a contrary message?

Page 58 of the exposure draft deals with a specific industry—that is, the industry of harvesting. Clause 5.1 says that you must provide a service to job seekers and employers for harvest activities specified in item B5 in schedule 1. Item B5 says that you must provide project contracting for a certain number of crops or harvests in a particular region over a particular period.

In clause A you say that you must supply the labour necessary to meet the harvest requirements of growers. You seem to be emphasising in clause 5 the legitimate need of employers. There is nothing in that clause—indeed nothing in the contract—that I can see that says that unemployed people or people who have been out of work for a particular period of time should get priority. You do not usually use the word 'unemployed'; you use the words 'job seekers'. That could be anybody who is seeking a job. Would you like to reconsider your draft contract, given what you have been saying?

Senator HARRADINE (Tasmania) (9.08 p.m.)—Senator Cooney asked a question that I was going to ask when we got on to the matter. I would like to ask through you, Madam Chair: given the acceptance of this clause, what is to prevent the government from demanding a certain priority?

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.09 p.m.)—Senator Cooney, you turned to, if you like, an exemption or a specialist area of contracting, which is for the harvest trail. As you know, there is a constant problem—there has been for years; your government faced it and we face it—with growers needing significant supplies of personnel at seasonal times, a labour demand that exceeds the local capacity to provide. Consequently, we have provided a specialist area for that. That aspect of the contract is separate from the normal labour exchange work.

Senator Harradine, I understand your question and, believe me, we have thought about it. But it is almost impossible to police and, therefore, to make effective. We often come in here and pass laws expressing good sentiments. Sometimes people argue the case of the role of law in an educative process. Sometimes we pass laws that X,Y,Z will not be done or that X,Y,Z will be done and we do not have the resources to ensure that that is followed up and that behaviour in the community will match parliament's expectation.

I happen to believe that, as best as is practicable, legislation has more credibility in the community, the law has better standing in the community, if we devise laws that we believe it is possible to implement. In order to implement such a law, a declaration of a government's intent, you would have to devise a regime to see that every EPE, in placing people, put unemployed people first.

We have come to the conclusion that that is impossible and that the better thing to do is to say, 'Employment placement enterprises might work, as some who will become employment placement enterprises do now, and that is commercially, by charging clients who can afford to pay or by charging the business community for the job placements they make. But we will only pay you when you put an unemployed person on benefit or a young Australian first, when you get them a job. You can continue as you are and get all these other people jobs and help them, as you do at the moment, but we will not pay you for that. We will only pay you when you put an unemployed person on benefit or a young Australian into a job.'

That is our priority, we think that should be Australia's priority and we think the easiest and most efficient way to do it is to say, 'That is when we will pay you.' We do not pay now for a huge range of employment services that go on. The CES only does at the moment about 16 per cent of labour exchange work. That is all the work that the Commonwealth pays for. In the total sphere of labour exchange work it is only about 16 per cent. We intend to ensure that for unemployed people on benefit we end the segregation that they are currently locked into by their low incomes. We will make the full range of employment services available to them and they can choose whom they go to. If they think private providers are the best, they can go to them. If they want to go to the PEPE because they think that does a better job, they can go to the PEPE. We have no preference.

What we will say to unemployed people on benefit and young Australians is, 'We will pay for you to go to the service at the place of your choice. We will give you the choice where you go. If those people get you a job, we will pay them the money.' We think that puts unemployed people in a much more powerful position than they are in now, a position of much greater status and integrity and personal confidence in seeking the service because they know that the person behind the counter is not going to get paid unless that person takes a direct interest in whether they get a job. And the person behind the counter will, because the person behind the counter knows that getting a payment from the Commonwealth depends on getting that person a job.

Senator CHRIS EVANS (Western Australia) (9.14 p.m.)—This is a different question. I wanted to make the point in response to that speech—which again I do not think has anything do with the amendment before us—that the Labor and Democrat amendments do not seek to contradict that last point made by the minister in any way, shape or form. The intensive employment assistance which is prioritised by the government will be given to those people identified as most at risk—the long-term unemployed and others with special disadvantages. None of our amendments prevent the commencement of that market or the allocation of moneys to help overcome the disadvantage of those clients when dealing with EPEs or the PEPE, depending on which service they choose.

I am not sure what this debate is about, because none of our amendments go to that question. In particular, this amendment to clause 9 has nothing at all to do with that debate in my view. What we are seeking to do is establish the role of the PEPE to provide reference to accreditation for EPEs and to ensure the level playing field in the sense that neither of them can charge. I am not sure if I have missed something in this debate, but I wanted to make clear our position.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.15 p.m.)—It is perfectly simple. I think I understand what you do not understand, but I do not understand why you do not understand it. You clearly have a grasp of the need to prioritise services for intensive employment assistance. Your government had an understanding of the need to prioritise

services in respect of case management. What these amendments deal with is your incapacity to come to grips with the fact that the same applies to labour exchange services. That is what this government is doing.

We are putting the same sort of priority onto labour exchange services. You accepted priority in one area of unemployment, but not in another. And guess what area? In one where that you would like the PEPE—that is, the CPSU—to have a monopoly. You are too busy looking after your union mates and less concerned with proper provision of services to unemployed Australians. That is what this amendment is about. That is what this is all about: looking after the CPSU.

Senator Mackay—Rubbish!

Senator VANSTONE—Senator Mackay says, 'Rubbish.' That is exactly what it is about. *(Quorum formed)*

Senator KERNOT (Queensland—Leader of the Australian Democrats) (9.19 p.m.)—I have just one more question going back to the minister's arguments on the most needy. I simply want do understand on what basis the government decided that people with working partners were not needy, that they had no individual needs. Could you explain that to me, please, Minister.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.19 p.m.)—Senator, I have already indicated in my answer to you that the government does not believe that there are not other people that are needy, but there are levels of need. You might say, Senator, that you need something. Other people would look and say, 'On your salary as leader of a party, your needs are very little.'

Senator Kernot—Huh!

Senator VANSTONE—Senator Kernot says, 'Huh!' I do not know how to translate that. I am not sure whether she is unsatisfied with her salary as leader of a party or what.

Senator Kernot—I am laughing at the way you personalise it.

Senator Chris Evans—She wants 20 more senators.

Senator VANSTONE—Yes. She does want 20 more senators, but she has two chances—Buckley's and none. The point I am making, Senator, and I have made it before, is that there are degrees of need. Presumably, even you understand that. There are degrees of need and the government has decided that its attention should first go to those most in need.

The government agrees that the social security system best defines those most in need, and they are the people who will get attention. When we get to a situation where we do not have so many people, as we now have, in the most in need category, then we could start looking at those who have a slightly lesser need. When we have dealt with them, we could go to the next group of people. But this government does not believe that we should leave unemployed people on a benefit, fighting it out with everybody else who is available for labour exchange services. We think the time has come to put these people first. The way to do that is to say, 'We'll pay for them.' Senator, no-one will be happier than I when this system shows itself to work such that we have so whittled down the number of unemployed people on benefit that we can afford to look at others.

Senator KERNOT (Queensland—Leader of the Australian Democrats) (9.21 p.m.)—You have not answered the question, Minister. What arguments did you take into account in deciding that, because people have a working partner, they individually do not have need, they do not come into your priority of need? In other words, are you not treating them as individuals? On whom are they dependent? How do they survive? That is my question. How did you categorise their need?

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.21 p.m.)—Senator, the question has been answered. What I have told you is that the government has concluded that those most in need are those on benefits and young Australians. Those not on benefits, it has been concluded by the social security system, which you have had a hand in shaping, are less in need than those on benefit.

There is the answer for you, Senator. If someone is on a benefit, the social security system, devised by this parliament, has decided that they are the most in need and they are the people that we will put first.

Senator KERNOT (Queensland—Leader of the Australian Democrats) (9.22 p.m.)—The minister has not answered my question. Are you saying that because people with working partners can depend on working partners for their financial assistance they, therefore, as individuals, have a lower category of need? That is all I am asking. Is this a Liberal view of the world about dependency?

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.22 p.m.)—Senator, I refer you to the answer I have now given you four times, that is, the social security system decides and has outlined it for us all. We all agreed, not just this government, and it has to be passed by the parliament as a whole. Where the parliament as a whole decides that people are most in need, they are the people who are going to be on benefit. We have decided that they are the people we will put first. Whatever category you choose to raise, the definition and the boundaries of social security have concluded that they are less in need and we agree with that as a definition of most in need for the provision of these services, and that goes for any other category you might like to raise of people who are currently not on benefit.

Senator HARRADINE (Tasmania) (9.23 p.m.)—In regard to amendment 10 which commences '9 Provision of Employment Services', if we just look at that from paragraphs (1) to (4), is there anything in that particular amendment that you object to? The matters that we have been talking about really do not go to any of the (1), (2), (3) or (4), as I see it, unless you can see something different. What is the problem in regard to (1)? There is nothing wrong with (1) or (2), is there? They state:

(1) The Employment Secretary must, on behalf of the Commonwealth, engage entities, including PEPE, to provide employment services.

(2) The terms and conditions of the engagement of an entity, including PEPE, to provide employment services are to be set out in an agreement in writing between the Employment Secretary and the entity.

Presumably you can do what you like in that agreement. It goes on:

(3) The Employment Secretary must not engage an entity (other than PEPE) to provide employment services unless the entity is an accredited employment placement enterprise.

Senator Kernot—She objected to that because she said it is a duplication. She objects to the accreditation.

Senator HARRADINE—Thank you. And (4) states:

(4) It is a condition of an agreement under this section that an entity, including PEPE, must not demand or receive any fee or other similar consideration from an employer or a job seeker in respect of employment services provided under the agreement.

You have raised questions in the debate that have raised a number of questions in my mind, but we will be dealing with them in the next bracket of amendments, I would have thought.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.25 p.m.)—Thank you for your question. These amendments are, of course, interrelated. A number of people have made reference in this discussion, for example, to amendment 13. You could go back to amendment 4. These changes are not standalone changes. What we are seeking to create is a situation where the PEPE and employment placement enterprises, whether they be community, such as Centacare, Brotherhood of St Laurence, Salvation Army or private providers, are on equal terms with the newly corporatised CES, the PEPE. We do not guarantee a share of market to anybody. We do not guarantee a share to the Brotherhood of St Laurence, we do not guarantee a share to Centacare, we do not guarantee a share to the Salvation Army, we do not guarantee a share will go to the private sector, nor should we guarantee a share for the PEPE.

I think it is just unimaginable that the PEPE would be so uncompetitive that it would not get any work, but in terms of the design there is no guarantee for any other single provider or portion of providers. I think that underlines

the remarks I made earlier about a commitment to look after the CPSU more than unemployed people. Your proposed clause 9(3) is the point that has been canvassed—we have canvassed this point; it is not as if we have been off the point at all—on accreditation. It would be complete stupidity to have a Commonwealth body credit provider and then another Commonwealth body, a separate group of people, taking up more money that could otherwise be used for unemployed people, go through and do the tendering process and in that tender process go through the sorts of things that I raised earlier that people said were not on the point.

I do not know whether people were not listening, whether they thought we were talking about another amendment, or what. We do not understand why people would want to allocate Commonwealth resources to go through a rigorous tender evaluation process, including a check on conformity with the tender conditions that check on financial viability, assessment against standard selection criteria, use of surveys of job seekers to assess performance of service providers, a code of conduct and a regime of performance audits—doing that job twice when it should be done once. It should be done properly and the money that this amendment would seek to have expended on CPSU members doing it twice should go to the unemployed.

Senator HARRADINE (Tasmania) (9.28 p.m.)—Under those circumstances, can you live with the clause with paragraph (3) out?

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.28 p.m.)—No, Senator, because my remarks still stand with respect to the other clauses and, in particular, as I point out, concerning 9(1)—the very point we want to make—the whole purpose of corporatising the CES is to put them on the same footing so that the Brotherhood of St Laurence and Centacare do not believe, as they believe now, that Employment Assistance Australia, that is, the government arm, gets a better deal, gets the easier to place clients and is, therefore, more looked after. We are determined to put them on the same footing. We do not see that you can do that and say that the employment secretary has a contract with a range of people but one of them must be the PEPE. It does not say 'with a suitable mix of private, community and public provider'—it just looks after the PEPE. So, no, we would not accept that.

Senator CHRIS EVANS (Western Australia) (9.29 p.m.)—I want to respond briefly to that point and to make it clear to the Senate that all that the amendment to 9(1) does is include reference to the public provider of employment services. The reason that is done is that the government makes no mention of that service at all in its bill. The minister assured us when she announced these changes that it would be in the legislation. Then it slipped out, as I understand it, because of deliberations in cabinet about privatisation policies the government would be pursuing and how it wanted to leave those options open to itself in a range of areas. The effect of that amendment is to include the public provider among those entities which may be engaged. If the minister cannot wear that, it seems to me that it tells us a lot about what she sees as the future role of the public provider in her scheme.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.30 p.m.)—That is simply not the case. It is clear to anybody, other than someone determined not to see, that we want to treat them all equally. There is a very strong view especially from the community providers—not from the private providers, because they are commercially viable now; they are going about their business and they do not need access to this to survive—and they make it abundantly clear to me, that they believe Employment Access Australia has been getting more than its fair share of the easier to place clients. In other words, the previous government said, 'We want to include community providers.' But they were not prepared to set up a system to ensure that they got their fair share of easy and hard to place people. That is what the community providers tell me. So we are determined to treat them all the same.

You might say, 'You don't want to include PEPE. You must want to get rid of it.' You

are living in fairyland. You do not seek to include private providers. You do not seek to include community providers. As I have said, the whole purpose of the debate on that side is to look after the CPSU. That is who you want to look after. You do not want to look after the unemployed Australians on benefits or young Australians, you are more concerned about looking after the CPSU. You say, 'All it does is mention them.' Why would we go to the bother of creating them if we wanted to get rid of them? What a ludicrous prospect. For you to seek to mention them at the expense of others is just paranoia in the extreme, is unnecessary and gives the PEPE a protected place that is not provided to any other employment placement enterprise. That is why we will not agree to the amendment.

Senator CHRIS EVANS (Western Australia) (9.32 p.m.)—I refer senators to the definition of 'entity' in the bill which sets out the other bodies et cetera that can be contracted. All we are seeking to do in this amendment is to provide for the PEPE to be recognised as well. The reason we are conscious of it and we are seeking to do it is that, despite the government's initial announcement, there is no mention of the PEPE anywhere in the bill. Why? The minister has never provided a satisfactory answer to that question. It is not our paranoia. We have looked at the bill and said, 'Why would you seek to allocate $180 million of public money and not include it in a bill which establishes that regime?' No adequate answer has been given.

So, yes, we do seek to include reference to the PEPE, because we want to ensure that, if you do want to close it or fail to provide a public provider, we have a say in that. We make no bones about that. We think the parliament ought to be consulted before we remove the public provision of employment services to regional Australia, to those who will not be serviced by the market, to those who will be in a situation where the market has failed—circumstances that you admit to in your exposure drafts and your discussion papers.

At one stage you talked about the PEPE providing these roles. We walked away from that as well. As the privatisation push and the deregulation push gathered momentum, we walked away from those assurances and they are not in the bill. So your last comment, Minister, I think gives you away. You say that, by this amendment, we seek to guarantee that there is a PEPE. Exactly. We declare ourselves guilty. We want to make sure that public providers of employment services continue in this country.

What you are really saying is that you want to make sure that there is no guarantee of that role. You are saying to us that you do not want this bill; you cannot wear having a public provider guaranteed by this bill. That is the debate. We say that it ought to be guaranteed. You say that you do not want it in the bill—not that there are any plans to downgrade its role or privatise or abolish it; you would just prefer that it was not there, because it would not be providing a level playing field. That is nonsense.

We support the level playing field. None of our other amendments prevents it. If you want to put in safeguards, move some amendments to guarantee a level playing field and we will vote for them. But, by removing mention of the PEPE from the bill, you reveal what your real agenda is. Yes, we do want the PEPE in there, because we do not believe you will maintain the provision of public employment services in this country if the bill goes through unamended.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.35 p.m.)—If you want to express the concern that you do tonight for the provision of services to the unemployed in regional Australia and other places of high unemployment, look at the figures that have been there for some time under the previous government and ask yourself how effectively your government did the job. There was a pretty clear conclusion: dismally. That is why you lost government.

This bill is not about job creation. This is about matching people available for work with jobs that come up. It is about our determination to do two things: to improve those services—that is, better matching between people looking for work and the jobs available—and to ensure that in any matching

process unemployed people on benefits and young Australians are put first. The arguments that you raise do not go to that.

You say that we want to get rid of the PEPE. Why in heaven's name would a government set up a PEPE, go to the bother of corporatising it, go through the arguments and then seek to somehow get rid of it? In an open tender process, the PEPE will survive or not survive. The strength of its survival will depend on the degree to which it tenders efficiently. In other words, it will have to run as efficiently as Centacare does, as the Brotherhood of St Laurence does, as Drake Personnel does and as the Salvation Army does in their labour exchange and their job placement services. We do not think that is an unreasonable demand of the public employment placement enterprises. To run as efficiently as the others is not an unreasonable demand. That is why we are determined to treat them equally.

As for item (4), I am informed that, under the current legislation, it is possible for case managers to charge businesses which they put people in who are case managed and take the fee from the Commonwealth. I am advised that is the case. That is the situation under the legislation which your government ushered through this place only two years ago. Now you seek to change it.

Senator Chris Evans—Is this your new regime?

Senator VANSTONE—Yes, exactly, Senator. This is a new regime designed by this government—not one that is going to be designed by the old government. I am just pointing out that one of the design features you seek to change is a feature that you had in your design, which is only two years old.

Senator HARRADINE (Tasmania) (9.38 p.m.)—The minister says very strongly that she does not want to have a situation where the employment placement enterprises, the EPEs, and the PEPEs are unequal and that they should be on the same footing. On the other hand, Senator Evans, as I hear him, is saying on behalf of the opposition precisely the same thing. He says, as I understood it, get amendments through which guarantee that particular situation. I am in two minds. I understand your argument about item (3). What you are saying there is that this could be a duplication.

The point that you have just made about item (4) is another problem, I think, that had not occurred to me. Personally, I would be inclined to vote against the amendment, provided the minister gave a guarantee to the committee right here and now that the government will include in the legislation provisions for the PEPE. I think that is only fair and reasonable.

Senator Evans commenced his address with respect to this amendment by saying, as I recall—it was a bit of a while ago—what he was doing on behalf of the opposition was including in the legislation something that you, Minister, had said would be government policy; in other words, the PEPE would be maintained and recognised as part of the provision of employment services. I think that is reasonable, and I would ask you, Minister, whether you would be good enough to give a guarantee to the committee that you would provide for the PEPE in the legislation.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.40 p.m.)—Senator, I can do this: I can tell you that there has been no plan that has been brought to my attention, that I have got wind of, had hinted at and any other similar description you might want to put, to dispose of the PEPE. And that is what the opposition is seeking to claim: that by corporatising the remaining part of the CES the government intends to sell it off. I can give you an undertaking that not only has no piece of paper been put in front of me but there has been no general discussion to say that we were, as some people think the previous government was, the sort of government that had discussions and did not have them reduced to writing so they could not be FOIed. It is just not on. I can tell you that.

Senator Harradine—Would you provide for it in the legislation?

Senator VANSTONE—Senator, the point that I made in answer to Senator Evans is that the PEPE will survive or not. Its strength will depend on two things. I had said it would depend on one thing but it is actually two.

One is its capacity to tender efficiently; that is, to get the jobs. I do not see why the PEPE should get the job over the Brotherhood of St Laurence, Centapact, the Salvation Army or Drake Personnel if they do not tender as efficiently. I do not see why they should get the job.

Senator Campbell—Do they have members of the CPSU working for the Brotherhood of St Laurence?

Senator VANSTONE—Senator Campbell says to me, 'Do they have members of the CPSU working for the Brotherhood of St Laurence?' I suspect not. Senator Harradine, we want them treated equally, and that is how they will survive: by performing well. Unlike members opposite, who seem to be in a complete state of paranoia that CPSU members will not perform well, I actually think they will perform far better in the tender process than most people have ever contemplated because they have 50 years of institutional experience in providing these services and they will be a very tough competitor. So what we are saying is, 'Don't look to the parliament to guarantee your survival. Look to your efficiency to guarantee it.'

The second point I think comes back to me or whoever happens to be the minister at the time, and that is the community service obligation that is on the PEPE. There is an obligation to provide employment services. That is clearly acknowledged. There may be places where Centapact, the Brotherhood or Drake Personnel do not tender but employment services have to be provided. We have indicated that, in these areas where there might be a paucity of tenders or no tenders, we will shift to a fee for service tender and, if that does not provide appropriate services and if not enough people tender to provide appropriate services for that area, then we have the capacity to direct the PEPE to provide the service and that will be on a cost basis because employment services have to be provided. There has never been any expectation in setting up this market that it would be a perfect market. So I think, Senator, that gives you the answer. I think the PEPE has an assured place because of that.

Senator KERNOT (Queensland—Leader of the Australian Democrats) (9.44 p.m.)—When Senator Harradine uses the words 'can the minister make some provision for the PEPE in the legislation', I think he has in mind, and I certainly understood him to require, the same kind of entrenchment that the Labor Party and the Australian Democrats are seeking. It is not good enough to say, 'I will give you a guarantee that I will not abolish it while I am the minister.' I think what we are all saying is the role of government in the public provision of these services is so important that it should not be able to be done in a de facto way by your no longer being the minister or by withdrawal of funding.

It should be there in the legislation so that, if you really do go down the 'small government is beautiful' line forever, you must come back to the parliament before you take that final step of abolishing the public provider. It is a very important point, and I do not think that just a little word to Senator Harradine that, 'We think there will be a place for the PEPE because it will be efficient,' and all the rest of it is a sufficient guarantee to meet what I thought Senator Harradine's concerns were.

Senator VANSTONE (South Australia—Minister for Employment, Education, Training and Youth Affairs) (9.45 p.m.)—Senator Harradine, I have been thinking about what you have said, and we might be able to come to some agreement. I have looked at the Employment Services Act 1994 and will give some thought to what you said, Senator Harradine, but I wonder whether those people who, in later life, become somnolent and read the *Hansard* will understand what the Commonwealth Employment Service is and how it is now constructed—this body that you say is not going to be adequately protected under this government—this body of people and services that is going to be corporatised, have an entity of its own, tender competitively with Centacare and all these other people, and rise or fall on how well it does the job. You want something more than that. I will take you back to what these people have now. I will take you back to clause 8 of the Employment Services Act 1994. It says:

There is to be, within the Department, a Commonwealth Employment Service.

Apart from further on where there is reference to the national director; that is it. The legislative framework that is there now is a couple of lines in a bill. Let me read clause 8 to you again. It says:

There is to be, within the Department, a Commonwealth Employment Service.

Senator Kernot—It's not privatised.

Senator VANSTONE—There is no suggestion of privatisation, Senator—there never has been. Let's not pretend that we are arguing about something that we are not arguing about. We are taking, other than the shopfront of the existing CES, which has gone already into the Commonwealth Service Delivery Agency—an innovative reform which I thank the Senate for agreeing to—the rest of it and actually corporatising it. We are giving it an entity on its own and you seek to go back to this one little sentence with which the current government or any government could do almost anything. We could have, within the department, a Commonwealth Employment Service with three people. Maybe we could go down to one person. I have not even bothered to look because we have no intention of doing that sort of thing. Maybe we would have to look at that if we cannot get any commonsense. I highlight all this argument when we have gone to all this bother of setting up the PEPE. We have had people working on it for months and we have people very keen to go out there and show how well they can compete—and they will compete very well.

Progress reported.

ADJOURNMENT

The DEPUTY PRESIDENT (Senator West)—Order! It being 9.50 p.m., I propose the question:

That the Senate do now adjourn.

Mr David Hong

Senator SANDY MACDONALD (New South Wales) (9.50 p.m.)—It is with great regret that I rise tonight to speak about the late Mr David Hong, head of the Taipei Economic and Cultural Office, whose well-attended funeral was held this morning in Canberra. David died, aged 60, in Melbourne on 3 June 1997, less than a week after the Australia-Taiwan parliamentary group—I am the chairman and Senator Cooney, who is in the chamber, is one of my vice-chairmen—had entertained him at our annual dinner. This group is entirely bipartisan and, although unofficial, is one of the largest groups of the parliament. As chairman, I had considerable contact with David Hong.

David Hong was a fine and, I suspect and have every good reason to suspect, a courageous man. In the world of diplomacy where cultural, political and economic priorities sometimes become more important than being a decent human being, David Hong was one of those rare breed who was immediately empathetic. His subtle sense of humour, his nationalism and his determination to put Taiwan's interests first, last and always gave him and the people he served and represented a dignity that we should all hold dear. He was passionate about his country and passionate about developing the relationship between Australia and Taiwan. A career diplomat, his role in Australia was one in which he strove to promote friendship, understanding and ever increasingly important business links between our two countries.

David Hong's long diplomatic career included posts in Sierra Leone, Malawi, South Africa, where he was the consul-general, and ambassador to Belize. He came to Australia to replace the much loved Francis Lee. David was a splendid replacement and built on the work done by his predecessor.

David's role was not an easy one. Australia recognises the one-China policy, which left him with the duties and responsibilities of an ambassador but without the accompanying status or formal access. This is especially significant given that Taiwan is one of our major trading partners. In 1995-96, the last full year for which records are known, Australian exports to Taiwan were worth $3.5 billion and included coal, alumina, copper, iron ore, petroleum, wool, salt, beef and other primary industry products. In return we imported $2.5 billion worth of Taiwanese goods, so we had a healthy trade surplus with Taiwan.

We have always supported Taiwan in its access to APEC and, of course, in negotiations concerning its access to the World Trade Organisation. I was very appreciative that David was always keen to help with tariff changes and concerns that we had. Recently he was instrumental in helping us gain greater access for some horticulture—apples and pears—and also beef.

Australia has long been, in addition, an attractive investment option for Taiwan businesses. Taiwan's 'look south' policy has already brought hundreds of millions of dollars worth of foreign investment to Australia in projects as diverse as a potential Tasmanian pulp mill and sugar and steel production facilities. Each new project creates more jobs, enhances local skills and knowledge and means more prosperity for us and, of course, more prosperity for Taiwan. Conversely, major Australian firms such as CSR, Transfield and Readymix Concrete have operations in Taiwan. Others, such as the Australian steel maker Kingstream and Taiwan's An Feng Steel, have entered into a successful joint venture worth over $1 billion in Western Australia. In the Hunter Valley, Formosa Plastics has an investment in high quality coking coal.

In purely economic terms, it was and is imperative that ties between Taiwan and Australia are maintained and strengthened. Madam Deputy President, I know that you were one of many who had the opportunity to visit Taipei on at least one occasion. I certainly did as well, as did a number of members of parliament, including Senator Calvert, another of my vice-chairmen, who was recently there.

It disappointed David Hong to see the vigour with which the People's Republic of China discouraged relations between our two countries. Yet David rarely made public his frustrations; he just kept on working, doing his best under delicate circumstances and making the most of every opportunity.

As Chairman of the Australian-Taiwan Parliamentary Friendship Group, I had considerable contact with David Hong and his wife Linda. He frequently sought my advice and access to government. I was always impressed at the way that he never lost sight of the main game. For instance, towards the middle of last year David wished to expedite a visa application. Foreign Minister Downer was overseas and for a very short period of time the Deputy Prime Minister (Mr Tim Fischer), the leader of my political party, was the acting foreign minister. David did not let the opportunity pass. He rang me, requesting that the acting foreign minister issue the visas with urgency. I said, 'David, I really appreciate your timing.' I could sense the smile that was coming to his lips at the other end of the phone, but he played his game with a very straight bat and said, 'But, Senator, this is just a normal procedure.'

With the formal handover of Hong Kong to China just two weeks away, even more attention will be focused on relations between Taiwan and China and, inevitably, more scrutiny of our ties with Taiwan, a nation of 21 million people, with a true commitment to free enterprise. Given that the handover of Hong Kong may be seen by some as a blueprint for the possible integration of Taiwan in the years to come, it is a crucial time for the entire region. I am sure that David was looking forward to bringing his considerable diplomatic skills to bear in what will be a very exciting and interesting time for our whole region.

David died suddenly last week and is survived by his wife Linda and their four children, Kelvin, Betty, Julie and Frances. He will be sorely missed by his family, his country and all who dealt with him in this place. Both our countries are the poorer for his passing. He was an outstanding representative of Taiwan, a country proudly democratic, attempting to do the right thing by its own citizens, the region, East Asia and the world.

Finally, I pass on my sincere sympathies to the other directors of the Taipei Economic and Cultural Office and acknowledge the very high esteem in which they held their leader.

Mr David Hong

Senator COONEY (Victoria) (9.58 p.m.)—I wish to associate myself with the words of Senator Sandy Macdonald, delivered tonight with respect to the death of David Hong.

They meet the occasion. The words that Senator Macdonald said at St Andrew's today met the occasion as well. I associate myself with those words. May I thank Senator Stott Despoja and Senator Allison for their graciousness in letting me take their time.

Mr David Hong

Senator CALVERT (Tasmania) (9.59 p.m.)—I would like to associate myself with those remarks of Senator Sandy Macdonald, as vice-chairman of the friendship group. I was eternally grateful for the fact that David Hong gave me and Senator Macdonald the opportunity to be present at the inauguration of the first democratically elected Chinese president in 2,000 years.

Science Education

Senator STOTT DESPOJA (South Australia) (9.59 p.m.)—On 19 March this year the Minister for Science and Technology, Mr McGauran, spoke at a science careers forum organised by the National Tertiary Education Union and the Federation of Australian Scientific and Technological Societies, FASTS. In his speech the minister said:

> Our part is to convince those within Government, industry and the community of the need for Australian research and Australian commercialisation and it won't be done by shrill, over blown exaggerated whining and wailing. Over-exaggerate the nature and extent of the problem and you weaken the credibility of the science community.

The minister went on to say that there was an attempt to create a climate of crisis in the science community. Understandably, the minister wants us to talk up science careers so that young people can see the wealth of opportunities. He actually cited a number of figures that suggested good career prospects for those in the science courses and science based careers.

For example, he said that the career prospects for life science graduates were good because 61.5 per cent had full employment four months after graduating. Of course, this means that 38.5 per cent did not have employment, which by any measure is quite a high proportion who are left unemployed. That figure reminds me of the youth unemployment rate in my home state of South Australia.

The minister's speech glossed over the difficult questions facing science careers and science graduates today—for example, infrastructure decline, salary erosion and funding cuts in higher education institutions, et cetera. He attempted to claim that he was reasonable and that he would respond to reasonable advice which was well researched and well thought-out.

But how can the science sector communicate the need for support and the concerns they have about eroding our future wellbeing? I thought that Professor Ian Lowe, who was at the forum, gave a well-reasoned speech and showed some well-reasoned data demonstrating that Australian science and technology is suffering badly. I will not list those reasons here, because I think that speech, which I commend to members of the parliament, is available on the FASTS home page. It certainly was not shrill, overblown and exaggerated whining and wailing. In fact, it was a factual speech demonstrating how the government has cut into this particular sector.

On 7 January this year, the minister stated that science and technology is Australia's No. 1 wealth generator and holds the key to improving all of our lives. Cutting away the resources of our research institutions by reducing funding to such an extent that they are forced to trade off infrastructure expenditure for the sake of salaries, further reducing the scholarship benefits by taxation and removing the 150 per cent tax deduction for research and development spending—even the promise to spend $12 million to make science more attractive to young people has been gutted by the use of this money for other purposes—have all made a mockery of the minister's claim on 7 January. These are indicators that this government is not committed to science and technology. In fact, any commitment that it gives is, at best, lip service and, at worst, a short-sighted economic experiment for which we already know the result.

My predominant concern with the minister's speech in March was that he showed a fundamental lack of understanding of the value of

resources in research and development. He does not seem to recognise that science and technology are reliant on individuals and their unique talents to be creative. Research and development require the nurturing and expression by people who have a special talent for discovering and inventing. The resource from which these advances come is the ability of these people to do the art of inventing and discovering. These resources are stimulated by the opportunity to do their thing.

Doing their thing requires a commitment on behalf of the government to make the conditions suitable for them. Their needs can be satisfied without demands for unending funding as a matter of right and total control over how that money is to be spent. What they are asking for is a recognition that innovative science and technology is an investment in the future and that the government commit itself to adequate funding commensurate with that of long-term perspective. How much funding is adequate will always, of course, be contentious. But it should not be determined by economic ideology and short-term accounting practices which do not acknowledge the long-term benefits and rewards of innovation.

Australians have quite a considerable natural ability in science. Many people will be familiar with the recent third international mathematics and science study, which found that primary students—Australian primary students in particular—were good at science and maths and had very high averages. The foundation of competence and interest should be nurtured with interesting and challenging science education at the school, university and college levels.

A good science and technology education is a key to providing Australians with a base on which to interact with an increasingly technology driven working life. With understanding comes the ability to make informed comment and informed decisions and the ability to interact with technology changes without fear and rejection of the unknown. Of course, as a result of that derives the benefits of jobs, wealth and lifestyle.

In the United States, the government is moving towards increasing funding for education in an attempt to make it more affordable. I have to say that it is in stark contrast with this government, which seems to be going in the opposite direction. In fact, last month the President of the United States, President Clinton, announced the largest, I think, increase in spending on higher education funding since the GI bill of 1945. This includes $35 billion in tax relief to help families pay for higher education, tax deductible education costs and tax credits to make higher education cost less.

The President recognises the importance of education. In fact, in a speech at Morgan State University on 18 May this year, he said:

. . . this agreement—

That is with the members of Congress—

contains a major investment in science and technology, inspired in our administration by the leadership of Vice-President Gore, to keep America on the cutting edge of positive change, to create the best jobs of tomorrow, to advance the quality of life of all Americans.

Tonight I call on the Australian government to reconsider its attitudes towards science and technology, to try to arrest the erosion that we are seeing in funding for science and our technological base. What we should be doing is looking at the long-term benefits we are denying ourselves by strangling the opportunity of wealth jobs and a better lifestyle.

Questions of deficit reduction, free trade and last quarter's CPI will be fairly insignificant when compared to rising seas, clean water, the need for clean air and other natural problems such as famine and disease. All of these issues which affect us, our environment and our medium- to long-term future will be solved only by research and development and by scientists and researchers being given the resources by which they can come up with solutions to meet these problems of the future.

Community Radio Stations

Senator TIERNEY (New South Wales) (10.06 p.m.)—Tonight I rise to thank the Minister for Communications and the Arts (Senator Alston) for his decision to amend the Broadcasting Services Act to allow community radio stations to broadcast full-time. On behalf of the community radio operators across regional and rural Australia, I com-

mend the minister for supporting and expanding the community broadcasting sector. Let me explain why Senator Alston's policy decision is now being so warmly received by community broadcasters, many of which have special interests, including education, religion, sport, the regional community and specialist music interest groups.

The previous government did nothing to assist community broadcasters in this country. When we came to government there were more than 100 community radio stations unable to get full-time licences to broadcast programs. In 1992 the previous Labor government led the sector to believe that new community broadcast licences would be granted within a reasonable time frame. This turns out to have been a very cruel hoax because this was not delivered by Labor. The licensing planning processes put in place by Labor in 1992 were supposed to be completed by 1996. This simply has not happened. There has been already a 3½ year slippage in the planning process. This would have taken it, if the Labor government had continued in power, into the next millennium, possibly still with no community radio stations being able to broadcast full time.

Their record is appalling and it has created great despair in the community broadcasting sector, mainly because most of these stations were confined to a broadcasting time of only 90 days a year and these had to be taken in separate blocks of 30 days, making continuity of service and the recognition factor an impossibility. This disgraceful block on the advancement of community broadcasting has gone on in this country for 20 years. The diversity and range of community groups having access to this type of broadcasting had been significantly curtailed under the previous Labor government's policies. Unable to get a full-time licence, stations and community groups found it difficult to maintain support for their operations.

The licensing of community broadcasters created by the former Labor government was a total administrative shambles. Under their direction, the planning processes of the Australian Broadcasting Authority were a disgrace. Since 1993 I have pursued this question in estimates under various Labor ministers and I remember well Minister Bob Collins in the 1993 estimates saying that he would actually look into this matter and try to speed up the process. Their planning process for giving out licences involved three teams going around the regions of Australia carrying out inquiries. That process, from 1993, was supposed to take another three years to finish. I suggested to the minister that perhaps if he doubled the number of teams he could halve the time. As I have already indicated, he did not take up that suggestion and the time did not halve—as a matter of fact, it actually doubled; it blew out from three to seven years.

The community radio industry is very grateful for the actions of Minister Alston, who has decisively cut through this process. I have raised a number of specific cases with him of radio community broadcasters in the Hunter and Central Coast areas who were frustrated by the previous process but are now greatly relieved that under this government the problem has been fixed. Broadcasters like Rhema FM, Newcastle Christian Broadcasters, Port Stephens community radio and Gosford-Wyong community radio actually went backwards under Labor but now can go forward under our new policy.

The stations summed up the problems of the previous policies in the following way. They were never sure whether they could ever convert to full-time licence operations. The start-up and turn-off cycle that Labor had built acted against the stations building an audience and keeping that audience. Staff training was thrown into chaos and work experience was difficult because of the intermittent nature of the production. The ability to attract sponsorship funds was often stymied by the on-off arrangement that had been set up under the previous government.

I have been advised that this government has now acted to change this licensing timetable and the community broadcasters who would have been perhaps forced to disband by 1999 will now be able to continue. Senator Alston has acted to allow community radio stations, held back under Labor, to be able to broadcast full time.

During this session we will amend the Broadcasting Services Act to allow the majority of community aspirant broadcasters to have the chance to commence full-time broadcasting. The practical impact of the amendments we are going to move is to support community broadcast stations that have waited so long for such a sane policy. One effect is that the aspirant broadcasters in a 'solus' market, or one where there is only one community radio station bidding for the right to broadcast, will now be able to broadcast full time in the period leading up to the allocation of permanent licences. Additionally, many more stations in markets where competition for the spectrum is greater will have their broadcast hours significantly increased if they can reach sharing arrangements with other broadcasters in their region.

The Community Broadcasting Association of Australia has warmly welcomed this Australian government's decision. I foreshadow my wholehearted support for the amendments when they come before the Senate. I would like to advise all senators that the Community Broadcasting Association of Australia is warning that it will not countenance any delays in passing the amendments to this legislation. Community radio has long fought for victory and commonsense over bureaucracy. I again congratulate the minister on his very decisive action, which will allow community radio in Australia to flourish.

Housing

Senator ALLISON (Victoria) (10.14 p.m.)—I rise tonight to discuss the important issue of the shrinking supply of affordable housing to people on low incomes. It is now more than two years since the federal government and state housing ministers agreed at a COAG meeting that radical changes would be made to the way housing services are delivered in this country. Two years and a change of government later we still do not have a sound housing policy that properly addresses the needs of people on low incomes. Rather than face the real issues of why people are struggling, the government prefers to preach to one and all that if the states were more efficient, more competitive and more compliant there would not be a housing problem.

One week before this year's federal budget, the government announced that it would delay its radical plan to shift funding entirely away from the provision and maintenance of public housing stock and, instead, go along with the Commonwealth-state housing agreement for two more years. At the same time, it made deep cuts to the actual amount handed to the states under this agreement. On budget night, the Treasurer (Mr Costello) announced a $50 million reduction in CSHA funding this year, $50 million next year and a further $100 million reduction over a two-year period thereafter—assuming, of course, that the CSHA still exists at that time. To add insult to injury, the government also announced that $60 million would be taken from rent assistance for people sharing in public housing.

So what is the government's housing policy? Is there a plan at all? Most people understood, I think, that the federal government would, in its own words, accept responsibility for housing subsidies and affordability while the states and territories would take responsibility for the management and delivery of public housing services. But in the budget the government significantly reduced the funding that the states require to fund public housing stock and removed rent assistance for some tenants, making a mockery of its promise of housing affordability for the many people on low incomes.

On top of this, the Commonwealth housing task force has now been disbanded. It was originally formed, as I understand it, to develop a unified approach to housing, and this would be presented to the COAG meeting, but now it appears that housing has been dropped off the COAG agenda altogether.

The conclusions drawn from the Perth housing ministers meeting are that the states intend to restructure their own housing service, regardless of the Commonwealth's agenda or the pleas of thousands of individual citizens for fairer, more equitable housing provision. So the states will do their own thing.

The Victorian government announced last week a drastic cut in the number of housing advocacy groups and housing councils. Thirty-seven advocacy groups and 18 councils

will be reduced to just nine for the whole state. Of course, this was done as an efficiency measure, we understand. But a housing council worker from a rural area told me that the needs of the people in the Western District, for instance, would now have to be served by regional housing workers in Geelong.

Perhaps more significantly, the Victorian government has announced a radical change to public housing tenure. In fact, security of tenure for public housing is to be a thing of the past in Victoria. From 1 July, all new tenants will be subject to tenancy reviews every three to five years. People will no longer be eligible for public housing just on the basis of very low incomes. Rents in public housing will also be increased. Only those who are considered to be particularly disadvantaged—for instance, the homeless, the aged and those with disabilities—will be eligible.

The Victorian government's move has sent shivers down the spines of public housing tenants. At this stage the new rules apply only to new tenants, but they are asking, 'Is this the thin edge of the wedge? Will we be next?' I think it is time the government listened to the very real fears of these people, and tonight I want to pass on some of the things they are saying. I have received two very moving letters in the last few weeks from women in quite different circumstances which articulate, in a way that I could not, the realities of the hardships faced by people on low incomes.

One is a widow with four young children. She was forced to apply for government support nine years ago after the death of her husband. She was unable to support herself and her children in their family home and was forced to apply to rent a privately owned house. She describes the discrimination from the real estate agents, who she says:

> . . . clearly did not relish the idea of a woman-headed household. This was apart from the discrimination dished out to a welfare recipient.

She talks about what she had to say to get any sort of house:

> I must admit I spent quite a few years lying about myself and my little family. This is not, however, as simple an act as it may sound, nor an easy thing to do. Firstly, the act of deliberately telling lies, even to a stranger in a real estate office, is a harrowing experience and one alien to my upbringing. Secondly, the fact that I had to try to get a foot in the door, literally, is degrading and dehumanising. What kind of system forces a woman to lie to get a roof over the heads of her children?
>
> We were forced to move often, when the real estate agent discovered I had more children than I had admitted to, or more frequently when we were hit by an unexpected rent hike. Looking back, I wonder how I survived those years of constant moving, my children having to change schools, of begging from charitable organisations, of always dressing from the op-shop, of living in constant fear of being discovered yet again as a single parent with a large family, of hiding children in bathrooms while explaining to them that it was wrong to lie.

Most significantly, she describes the relief of securing a place in public housing. She says:

> What saved us as a family was finally obtaining public housing after nine years of searching and waiting. Since 1983 we have had security of tenure and, apart from the bliss of income-related rent, this has been the best thing in my life so far. It is a sad indictment on an affluent society like ours that, for some people, through no fault of their own, not through lack of hard work or courage, there is no way out of the vicious poverty trap except the ephemeral prospect of winning the lottery.
>
> Obtaining public housing meant no more chopping and changing schools, making friends with neighbours, becoming involved in our local community through voluntary work. It has meant that I was able to finish my schooling and am almost through my university degree. As I now have just two children left at home, I am looking forward to taking my place in the paid workforce at last.

The second letter comes from a women who had a successful career and a good income. She is now in her mid-fifties, single, on a disability pension and living in community housing. She says:

> After rent, telephone, electricity, medical and other expenses, I have less than forty-five dollars to feed and clothe myself.

She says:

> The last thing I wanted was to be reduced to this state, or be dependent in any way, which is why I exhausted all my savings and dug deep into Mastercard before I asked for any help.

Eventually, she says, a community housing group saved her from homelessness and saved her life. She says:

I felt physically ill as Peter Costello smiled from the television screen blithely slashing at housing, pharmaceuticals and rent allowances. I was appalled by the persistent implication that the poor rort the system. Amazed that 60 grand could win you an incentive and that the very old would get a cash handout if they don't drop dead on the job. I feared for the families felled by a thousand tiny cuts and the future of children brought up in such insecurity and hopelessness.

The final insult came when Mr Costello smugly announced a one billion Federation Fund. Won't all Australians have had a gutful of fireworks so soon after the Olympics? Wouldn't one billion be better spent housing the homeless, giving work to the jobless, and healing the sick? Better still, looking towards the year 2001, why not spend that billion educating the young so they have the intelligence to reject racism and intolerance, the skills to find employment and the compassion to care for the needy?

She goes on:

I beg you to prevent the destruction of public and community housing or privatisation that can only lead to further humiliation and exploitation of the poor and greater homelessness. Those poor homeless who did not even get on the census of this 'lucky' country because they had no address.

She says:

Well I for one would rather be dead than homeless.

The private sector is not the answer for everyone, and for the 300,000 families currently on public housing waiting lists it is not their preference either. My hope is that the government will listen to such people and will open its collective mind to the evidence which is now being brought to the Community Affairs References Committee inquiry into housing. I hope that the government will develop a policy which meets the needs of real people such as these.

Senate adjourned at 10.23 p.m.

DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Air Navigation Act—Determination under section 15A, dated 21 April 1997.

Australian Bureau of Statistics Act—Proposal for the collection of information—Proposal No. 9 of 1997.

Census and Statistics Act—Australian Bureau of Statistics—Statement of disclosure of information—Statement No. 2 of 1997.

Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—

Directive—Part—

105, dated 2, 3, 4[5], 5 and 10[8] June 1997.

106, dated 10 June 1997 [4] .

107, dated 2, 4 and 10[3] June 1997.

Exemption—

38/FRS/1997-44/FRS/1997.

CASA 10/97.

Currency Act—Currency Determination No. 3 of 1997.

Customs Act—

Instruments of Approval Nos 9-23 of 1997.

Regulations—Statutory Rules 1997 Nos 128 and 129.

Defence Act—Determination under section 58B—Defence Determinations 1997/18 and 1997/20-1997/22.

Defence Service Homes Act—Variation of statement of conditions under section 38A—Instrument No. 4 of 1997.

Extradition Act—Regulations—Statutory Rules 1997 Nos 122 and 123.

International Air Services Commission Act—International Air Services Policy Statement No. 3—Instrument No. M40/97.

Lands Acquisition Act—Statement describing property acquired by agreement under section 40 of the Act for specified public purposes.

Life Insurance Act—Regulations—Statutory Rules 1997 No. 119.

Mutual Assistance in Criminal Matters Act—Regulations—Statutory Rules 1997 No. 124.

National Health Act—Determination under—

Paragraph 4B—HIS 9/1997 and HIS 11/1997.

Schedule 1—HIS 10/1997.

Primary Industries Levies and Charges Collection Act, Horticultural Levy Act and Horticultural Export Charge Act—Regulations—Statutory Rules 1997 No. 120.

Public Service Act—Regulations—Statutory Rules 1997 No. 127.

Radiocommunications Act—Regulations—Statutory Rules 1997 No. 121.

Retirement Savings Accounts Act—Regulations—Statutory Rules 1997 No. 116.

Safety, Rehabilitation and Compensation Act—

Notice of Declaration—Notice No. 3 of 1997.

Notice of Revocation of Declaration—Notice No. 2 of 1997.

Sales Tax Determinations STD 97/2 and STD 97/3.

Seat of Government (Administration) Act—Ordinance—

No. 1 of 1997 (National Land (Amendment) Ordinance 1997).

No. 2 of 1997 (Reserved Laws (Administration) (Amendment) Ordinance 1997).

Superannuation Industry (Supervision) Act—Regulations—Statutory Rules 1997 No. 117.

Superannuation (Resolution of Complaints) Act—Regulations—Statutory Rules 1997 No. 118.

Sydney Airport Curfew Act—Dispensation granted under section 20—Dispensation No. 5/97.

Taxation Determinations TD 97/11-TD 97/13.

Telecommunications (Carrier Licence Fees) Act—Regulations—Statutory Rules 1997 No. 125.

Tradesmen's Rights Regulation Act—Regulations—Statutory Rules 1997 No. 126.

PROCLAMATIONS

A proclamation by His Excellency the Governor-General was tabled, notifying that he had proclaimed the following Act to come into operation on the date specified:

Retirement Savings Accounts Act 1997—2 June 1997 (*Gazette* No. S 202, 29 May 1997).

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Unemployed: Case Management

(Question No. 407)

Senator Woodley asked the Minister for Employment, Education, Training and Youth Affairs, upon notice, on 5 February 1997:

(1) Are figures available which give some indication of the effectiveness of the case management system in assisting people to find employment?

(2) Is there any breakdown by age group; for example, is it more effective for people of a particular age group?

(3) Is there a breakdown for any other variable?

(4) Are figures available which give some indication of the effectiveness of the Commonwealth Employment Service in assisting people to find employment?

(5) Is there any breakdown by age group?

(6) Is there a breakdown by any other variable?

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

(1) Case management outcomes have been measured in terms of positive exits. Positive exits from case management occur where clients are placed into subsidised work, unsubsidised work or non-DEETYA education/training places that extend for at least 13 weeks in duration. To be counted as a positive exit, a job placement must involve an average of at least 20 hours work per week. It is important to note that in view of this criterion and the inclusion of subsidised employment as a positive exit, case management positive exists are not comparable to positive outcomes as measured for labour market programs.

Outcomes data have been compiled for cohorts of clients based on their time of entry to case management. Full year data are available for clients who were registered for income support at the time of entering assistance in 1995. These data show that in the 12 months following their entry to case management, positive exits were obtained for 29% of clients. There was no difference in the positive exit levels achieved by Contracted Case Managers and the public sector case management provider, Employment Assistance Australia.

It should be noted that in addition to the 29% of clients who obtained positive exits through 13 weeks of employment or participation in education/training, around 5% exited case management after failing to apply for continuation of Department of Social Security unemployment allowance. While data relating to the reasons for these additional exits are yet to be gathered, it is likely that a substantial number were associated with clients finding work.

More detailed information on the outcomes and effectiveness of case management will be available in late 1997 as analyses of data from the department's longitudinal cohort study of job seekers and a study assessing the extent to which case management results in improved job prospects are completed.

(2) A breakdown of positive exits by age is provided in Table 1. As can be seen in Table 1, when compared to younger people, positive exits from case management are less likely to occur for those aged 45 years or more.

Table 1 Positive Exits by Age

Clients Entering Case Management in 1995

Age	Positive Exits[1] %
15-19 yrs	32
20-24 yrs	34
25-44 yrs	30
45 + yrs	20
Total	29

The proportions of clients who within 12 months of entering case management were placed into subsidised or unsubsidised work or non-DEETYA education/training. To be counted as a positive exit, a job placement must involve an average of at least 20 hours per week and extend for at least 13 weeks. Data relate to income support registrants who entered case management in 1995.

(3) A breakdown of positive exits by client equity group membership is provided in Table 2.

Table 2 Positive Exits by Client Characteristics
Clients Entering Case Management in 1995[1]

Equity Group	Positive Exits %
People with Disabilities	20
Migrant Disadvantaged[2]	18
Aboriginals & Torres Strait Islanders	28
Women	29
Sole Parents	27
Total[3]	29

1. The proportions of clients who within 12 months of entering case management were placed into subsidised or unsubsidised work or non-DEETYA education/training. To be counted as a positive exit, a job placement must involve an average of at least 20 hours per week and extend for at least 13 weeks. Data relate to income support registrants who entered case management in 1995.
2. Overseas born with English language or cultural difficulties.
3. Includes all clients.

(4) A study of the effectiveness of the CES in assisting people to find work has not been undertaken. This study would require a comparison of employment outcomes between a group of job seekers exclusively assisted by the CES and similar job seekers (in terms of those characteristics likely to influence job search success) who had not been assisted by the CES or by commercial employment agencies. Such a study would be impractical given that, under current arrangements, the majority (around 84% according to recent ABS data) of job seekers receive CES assistance.

A broad indication of the effectiveness of the CES is available from estimates of the CES job vacancy penetration rate (the proportion of all job vacancies filled in a 12 month period that were filled by the CES). However, these estimates should be treated with some caution because they are based on a number of assumptions used to calculate the number of all job vacancies filled.

Based on these estimates, job vacancies filled by the CES accounted for 15.2% of all vacancies filled in the 12 months to February 1996 (Table 3). In the 12 months to February 1994, the CES filled 21% of all vacancies filled. Vacancy penetration data based on an earlier methodology indicate that the proportion of vacancies filled by the CES has been falling at least since the mid 1980s.

Table 3 CES Job Vacancy Penetration Rate[1] 1986-1996[2]

Job vacancies filled by the CES in the 12 months to February:	Old methodology	New methodology
	% of all vacancies filled	
1986	31.8	
1987	30.8	
1988	30.8	
1989	29.6	
1990	25.4	
1991	19.2	

Job vacancies filled by the CES in the 12 months to February:	Old methodology	New methodology
1992	16.7	
1994	19.5	21.0
1996		15.2

[1] Proportion of all job vacancies filled in a 12 month period filled by the CES

[2] 12 months to February 1986 to 1996 (old methodology) and 12 months to February 1994 to 1996 (new methodology).

(5) CES job vacancy penetration rate data are not available by age group.

(6) CES job vacancy penetration rate data are available at the national level only. More disaggregated data are considered unreliable due to high relative standard errors.

Austudy

(Question No. 414)

Senator Stott Despoja asked the Minister for Employment, Education, Training and Youth Affairs, upon notice on 6 February 1997:

(1) Can a copy of the 1997 AUSTUDY policy guidelines manual issued to department staff members on 10 October 1996, entitled AUSTUDY Income, Assets and Actual Means Test be provided.

(2) (a) At what times and on what dates has the AUSTUDY hotline service been open since 1 January 1997; (b) how many calls has the hotline service received since 1 January 1997; (c) how many calls were complaints; and (d) how many calls were made regarding the actual means test?

Senator Vanstone—The following answers are provided to the honourable senator's question:

(1) The 1997 AUSTUDY Income, Assets and Actual Means Test policy guidelines were circulated within the Department of Employment, Education, Training and Youth Affairs in draft form for comment by staff. The Guidelines were not issued in a final form. Following the changes to the operation of the Actual Means Test that were announced on 20 February 1997, the Department decided to withdraw those draft guidelines because much of the material contained in them had become outdated. As a result, no useful purpose would be served by releasing them.

(2) (a) Since 1 January 1997, the AUSTUDY hotline has been open from 9am to 5pm Eastern Standard Time from Monday to Friday, excluding public holidays. The hotline was closed on the afternoons of 8, 15, 22 and 29 January and 5 February. (b) From 1 January to 31 March 1997, the AUSTUDY hotline answered a total of 28,448 calls. (c) While many of the callers offered comments and suggestions of various kinds, the question of which of these should be regarded as complaints is a subjective judgement. (d) The hotline was established specifically to deal with the Actual Means Test and consequently, I understand that the majority of the calls were indeed about the Actual Means Test.

School Closures: Victoria

(Question No. 437)

Senator Allison asked the Minister representing the Minister for Schools, Vocational Education and Training, upon notice, on 24 February 1997 :

(1) Is the Minister aware that the Bulla Primary School closed recently because its enrolment of 42 students was considered too small by the Victorian State Government.

(2) Is the Minister aware that the Sunbury Christian Community School recently opened in the Bulla Primary School buildings and qualifies for Commonwealth and State Government funding with just 21 students.

(3) Is the Government monitoring the growth of new private schools, if so, how many have replaced government schools this year.

(4) Does the Government stand by its budget estimate that almost 6 000 students will leave the state education system and enrol in private schools in 1997.

(5) How much will be deducted from state education budgets as a result of the application of the Enrolment Benchmark Adjustment in 1998.

(6) What action will the Government take if the budget estimate of 6 000 students exiting the state system in 1996 is significantly exceeded.

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

(1) State Governments are responsible for the operation of government schools. The closure of the

Bulla Primary School was therefore a matter for the Victorian Government. I understand there are six other government primary schools in the Sunbury area.

(2) There have been press reports about the opening of the Sunbury Christian Community School on the site of Bulla Primary School. However, until an application for Commonwealth general recurrent funding for 1997 and other required documentation is provided by Sunbury Christian Community School, it is not possible to confirm the numbers of students at the school eligible for Commonwealth funding. I understand that the school has only recently received registration from the Victorian authorities.

(3) The Government maintains eligibility and statistical information on all non-government schools approved for Commonwealth general recurrent funding. In the case of Sunbury Christian Community School, to suggest that somehow a non-government school is being substituted for a government school is misleading. The Sunbury Christian Community School commenced planning over two years ago, well before the closure of Bulla Primary School and on a different site.

(4) and (6) The projected additional enrolment increases in non-government schools associated with the abolition of the New Schools Policy were estimated at 3,000 in the first year, not 6,000. No revision of that estimate is planned at this time.

(5) The Commonwealth Government is committed to continuing financial support for schools. The States Grants (Primary and Secondary Education Assistance) Act 1996 (the Act) is providing more than $14 billion for schools over the period 1997 to 2000.

The Commonwealth Budget Papers for 1996-97 show that funding for schools is estimated to increase each year to 1999-2000, with an average increase of just over 4% per year. When total Commonwealth sourced funding (both Specific Purpose Payments and Financial Assistance Grants) is taken into account, funding for government schools will increase at a more rapid rate than for non-government schools.

Between 1996 and 2000, average per capita Commonwealth funding for a student in a government school is projected to increase from $2,263 to $2,668, or by 17.9%. Over the same period, Commonwealth funding for a non-government school student is projected to increase from $2,405 to $2,764 or by 14.9%. The level of assistance for students in government schools increases further when States' own source funds are included.

It is not possible to give an accurate estimate of the possible changes to general recurrent grants to individual States and Territories under the States Grants (Primary and Secondary Education Assistance) Act 1996 at this stage.

There are two reasons for this:

. firstly, details of the application of the Enrolment Benchmark Adjustment (EBA) to each State and Territory will depend upon the outcomes of a round of consultations currently being conducted with States and Territory officials and a subsequent report to Ministers; and

. secondly, any shift in the ratio of government and non-government school enrolments in a State or Territory will only become evident after the August 1997 schools census figures are finalised towards the end of 1997.

Aboriginal Field Officers

(Question No. 499)

Senator Denman asked the Minister for Employment, Education, Training and Youth Affairs, upon notice, on 18 March 1997:

By a breakdown by Area offices:

(a) how many Aboriginal Field Officers, or officers who would have similar duties, were employed to May 1996; and

(b) how many are currently employed within the Department throughout Australia.

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

(a) The Department does not employ Aboriginal Field Officers. However, DEETYA employs officers working in the Remote Area Field Service (RAFS) (whose duties include the delivery of employment, education and training services to Aboriginal and Torres Strait Islander people), and Aboriginal and Torres Strait Islander Education Units (AEUs). The figures included here relate to the numbers of staff working in AEUs and numbers of RAFS staff at May 1996.

AREA	AEU STAFF (May 1996)	AREA	RAFS STAFF (May 1996)
Queensland North	47	Queensland North	25
Queensland Central	9	Queensland Central	8
Coastal	16	Coastal	1
Hunter Northern	7	Hunter Northern	0
Sydney Eastern	0	Sydney Eastern	0
Western Sydney	15	Western Sydney	0
South West Sydney	0	South West Sydney	0
ACT/Illawarra	11	ACT/Illawarra	0
Western NSW	25	Western NSW	6
Melbourne West	0	Melbourne West	0
Melbourne East	7	Melbourne East	0
Victoria South East	4	Victoria South East	1
Victoria Country	5	Victoria Country	0
Tasmania	6	Tasmania	3
South Australia South	0	South Australia South	0
South Australia North	8	South Australia North	7
Western Australia	15	Western Australia South	0
		West Australia North	8
Northern Australia	29.1	Northern Australia	42
TOTAL	204	TOTAL	101

b) The figures included here relate to the numbers of staff working in AEUs and numbers of RAFS staff at end March ‘97.

AREA	AEU STAFF (March 1997)	AREA	RAFS STAFF (March 1997)
Queensland North	38	Queensland North	12
Queensland Central	7	Queensland Central	5
Coastal	14	Coastal	1
Hunter Northern	8	Hunter Northern	0
Sydney West & North	9	Sydney West & North	0
Sydney Metropolitan South	0	Sydney Metropolitan South	0
ACT/Illawarra	11	ACT/Illawarra	0
Western NSW	24	Western NSW	2
Victoria SE	4	Victoria SE	0
Melbourne NW	8	Melbourne NW	0
Victoria Country	4	Victoria Country	0
Tasmania	6	Tasmania	2
South Australia	7	South Australia	5
Western Australia	18	Western Australia	8
Northern Australia	23	Northern Australia	23
TOTAL	181	TOTAL	58

Please note: Area structure has varied slightly from February 1996.

School-to-Work Programs: Accountability

(Question No. 503)

Senator Allison asked the Minister representing the Minister for Schools, Vocational Education and Training, upon notice, on 20 March 1997:

(1) What accountability processes have been put in place to ensure that recent grants of money for school-to-work programs in secondary schools are used for the purposes intended?

(2) Is it a fact that grants made to individual government and Catholic secondary schools can be assessed against the programs actually put in place for their students?

(3) Is it also a fact that, at least in one State, this will not be possible for 'independent' schools as the amounts were paid in bulk?

(4) To whom were such payments made and what accountability processes apply, particularly as it has already been established that the amounts going to such schools are far in excess of those paid to other schools and are not contingent on any programs actually being offered?

(5) (a) How were payments made in the various States and Territories; and (b) what are the accountability processes imposed by the Commonwealth for these grants?

Senator Vanstone—The Minister for Schools, Vocational Education and Training has provided the following answer to the honourable senator's question:

(1) The Principles and Guidelines for Improving Outcomes for Vocational Education and Training (VET) in Schools provide that 'school authorities must show that funds have been used to increase vocational education opportunities in schools and have not been used to replace existing expenditure. This increase must be measured against set benchmarks agreed at the commencement of this programme' (Para 9). In order to receive the allocated funds, 'education authorities must include in their agreements with State/Territory Training Authorities, base line data on current vocational education as well as outcomes/outputs and milestones/time-lines for the expansion of vocational education in schools' (Para 17).

States/Territories are currently collecting and establishing base line data to incorporate in their agreements. Education authorities will be required to report against this baseline data at the end of each year in order to receive funding in the following year.

(2) Grants are made by State Training Authorities to school systems and therefore systems will be responsible for ensuring accountability requirements are met. School systems will provide funding to schools and will need to put in place their own accountability requirements from individual schools.

(3) The same accountability requirements and processes for distribution will be used for the independent sectors in all States and Territories.

(4) The Commonwealth does not currently have information on which schools will receive funds. Up until 24 March 1997, Victoria is the only State to have entered into an agreement with its State Training Authority and to have received its first allocation. At that date, no Victorian school had received funding.

As part of the accountability requirements outlined in the Principles and Guidelines for Improving Outcomes for Vocational Education and Training (VET) in Schools, school authorities will ensure that schools in all sectors, including the independent sector, use funds in accordance with the principles and guidelines, that is, for activities that lead to expansion of vocational education in schools.

In addition, some funds are expected to be retained centrally by each sector for system level activities such as the development and/or modification of National Training Packages where necessary. Funds will be provided to schools by school authorities.

(5) (a) The process for making payments to school sectors may vary from State to State.

- In Victoria, the State Training Authority has made one payment (covering the allocation to the three sectors) to the Government sector. The Government school authority will forward the agreed allocations to the Catholic sector and the Independent sector once Statements of Understanding have been signed with these sectors.
- In NSW, a consortium has been established which includes the three school sectors as well as the State Training Authority. The consortium will receive the funds from the State Training Authority and distribute them in accordance with the agreed plan.
- In the NT, a joint working group has been established. It is likely that separate agreements will be negotiated with each of the sectors and that each sector will contribute to the implementation of the plan.
- In other States/Territories, separate agreements are being negotiated with each of the school sectors within the State/Territory. Payments to each sector will be made by the State Training Authority once agreements are finalised.

(b) ANTA is responsible for distributing these funds on behalf of the Commonwealth. Normal accountability requirements between the Australian National Training Authority (ANTA) and the Commonwealth, as set out in the Australian National Training Authoring Act 1992 and Vocational Education and Training Funding Act 1992, apply. In addition, State Training Authorities will be required to monitor and report to ANTA on accountability requirements as outlined in the response to Question 1. ANTA will, as part of its responsibilities to the ANTA Ministerial Council, report on accountability and performance. Accountability requirements and performance will also be monitored by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) Task Force on MAATS in Schools (which includes a Commonwealth representative) and report to MCEETYA.

Austudy Policy Reference Group

(Question No. 508)

Senator Stott Despoja asked the Minister for Employment, Education, Training and Youth Affairs, upon notice, on 20 March 1997:

(1) When did the department ask the Minister for a determination on whether the Austudy Policy Reference Group should continue.

(2) Did the Minister respond to the department's request for a determination; if so, what was the decision.

(3) Will the Austudy Policy Reference Group be reconvened.

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

(1) and (2) The department did not seek a determination from me regarding reconvening the Austudy Policy Reference Group.

(3) Since my announcement, on 20 February 1997, of measures to improve the administration of the Austudy Actual Means Test, the Secretary of my Department has established an internal Student Assistance Steering Committee at Senior Executive Service officer level to coordinate the development and implementation of Austudy policy and operations. I have already announced that a review of the Actual Means Test will be undertaken before the 1998 academic year. I expect to announce soon the terms of reference for this review. In this context, I will keep in mind the role a more formal policy reference group could play.

Importation of Cooked Chicken Meat

(Question No. 534)

Senator Bob Collins asked the Minister for Primary Industries and Energy, upon notice, on 10 April 1997:

(1) Are any of the recommendations made by the Rural and Regional Affairs and Transport Committee regarding the proposed importation of cooked chicken meat in breach of World Trade Organisation rules; if so: (a) which recommendations; and (b) what is the nature of the breach.

(2) How many times has the imported cooked chicken meat technical working group met; (b) when did those meetings take place; and (c) what is the membership of the working group.

(3) Can copies of the minutes from those meetings be provided.

(4) What variations were made to the draft protocol as a result of the recommendations from the committee and the discussions between the industry and the Australian Quarantine and Inspection Service (AQIS).

(5) If certain recommendations were rejected, what was the basis for the rejections.

(6) Do the industry members of the technical working group support the redrafted protocol, if so, on what date did the industry members agree to the redrafted protocol.

(7) Do most countries that import chicken require area certification from avian diseases as a precondition for allowing product into their domestic market.

(8) Is AQIS recommending to the Minister that such a condition be applied to those countries seeking to export chicken meat to Australia; if not, why not.

(9) (a) On how many occasions has the Government/industry working group looking at the economic impact of imported chicken meat met; (b) when did those meetings take place; and (c) what is the membership of the working group.

(10) Can copies of the minutes of all meetings of the group be provided.

(11) (a) Has the group finalised an economic adjustment package for the domestic chicken industry if imported product is given access to the Australian market; (b) is the package supported by the industry representatives on the working group; and (c) what is the membership of the working group.

(12) When will the further scientific tests, announced by the Minister, be undertaken.

(13) (a) What role did the industry play in design of this further testing and did industry endorse the procedures to be followed; (b) when did those consultations take place; (c) how have these tests been designed so as to reflect commercial reality in line with a key recommendation of the committee that further testing 'should be conducted in conditions that are as close as possible to commercial processing conditions'; and (d) when will they be completed.

(14) (a) Where will these tests be undertaken; and (b) will Dr Dennis Alexander be directly involved; if so, what will be the exact nature of his involvement.

(15) Is Dr Alexander currently working as a consultant to the European Union or any of its members; if so, which country is, or which countries are, employing Dr Alexander.

(16) Does Dr Alexander's work involve assistance to promote the export of chicken meat; if so, does not that consultancy present a conflict of interest for Dr Alexander in relation to the work he is doing for AQIS.

(17) Has AQIS inspected any of the plants from which chicken might be sourced if approval to import the product is granted; if so: (a) where were the plants, (b) how many were inspected; (c) who undertook the inspections; and (d) what was the result of those inspections.

(18) Does AQIS plan to inspect plants from all countries seeking to export meat to Australia in line with the committee recommendation; if not why not.

Senator Parer—The Minister for Primary Industries and Energy has provided the following answer to the honourable senator's question:

(1) The WTO Agreement on Sanitary and Phytosanitary Measures sets out rights and obligations of WTO members in relation to the application of quarantine controls to protect human, animal and plant health. Whether the Senate Committee's recommendations on technical issues would be consistent with the Agreement is a matter for judgement in the context of consideration of all aspects of AQIS's risk assessment on cooked chicken meat imports. The legal conformity of the AQIS position on this issue with WTO rules can be determined only through the WTO dispute settlement mechanism.

The Committee's recommendation that "the most appropriate assistance measure available for the government's consideration would be the introduction of appropriate safeguard action to allow the imposition of a tariff or quota restriction on importation on a temporary and reducing basis" could only be taken up by Australia in accordance with its obligations as a Member of the WTO.

With respect to the possible imposition of import quotas, this could only be done in accordance with the provisions of Article XIX of the General Agreement on Tariffs and Trade (GATT 1994) and the WTO Agreement on Safeguards. Under the Agreement on Safeguards and Article XIX of GATT 1994, safeguard action against imports may be taken if, as a result of unforseen developments, there has been an increase in the level of imports of a product as to cause or threaten to cause serious injury to domestic producers of the like or directly competitive product. A finding of serious injury requires a formal investigation, with the process being done according to published procedures with a public inquiry and a published report.

Investigations cannot be initiated until there is a circumstance of increased quantities of imports, absolute or relative to domestic production. That is, while measures can be imposed on the basis of threat of serious injury, they cannot be imposed on the basis of threat of imports. Therefore, the Government could not decide in advance of any imports being permitted to introduce an "appropriate safeguard action to allow the imposition of a tariff or quota restriction on importation . . . ." The recourse to safeguard measures, if activated, would require compensatory concessions to affected trading partners.

With respect to tariffs, Australia could impose a tariff on imports of cooked chicken meat up to the level of our tariff binding without breaching our WTO obligations. Alternatively, if we wanted to impose a tariff above the bound rate, we would be obliged to enter into negotiations under GATT article XXVIII with other WTO members having a trade interest in the goods in question. This process involves the renegotiation or lowering of bindings on tariffs on alternative products of equivalent value in order to provide compensation to affected trading partners. In other words, the compensation would almost certainly need to be provided at the expense of another Australian industry.

(2) (a) The technical working group met on two occasions with a third meeting being held of the people comprising the working group plus representation from BRS scientists.

(b) The meetings of the technical working group took place on 24 June and 29 August 1996 with the third meeting on 22 January 1997.

(c) Members of the working group included representatives from the Australian Quarantine and Inspection Service (AQIS), the poultry industry and the Bureau of Resource Sciences (BRS). Industry organisations represented were the Australian Poultry Industries Association and the Australian Chicken Growers' Council.

(3) Reports of these meetings were prepared and provided to the participants. Copies have been provided to Senator Collins.

(4) As a result of discussions between AQIS and industry, AQIS included in its protocol direct reference to the Australian Standard for Hygienic Production of Poultry Meat for Human Consumption as a guide in the assessment of slaughter and processing establishments for approval to process product for export to Australia and the AQIS Code

of Hygienic Practice for the Production of Heat Treated Refrigerated Foods Packaged for Extended Shelf Life as a guide in the evaluation of the processing and handling of product for export to Australia.

(5) The Government's response to the recommendations of the Senate Rural and Regional Affairs and Transport Legislation Committee report on the importation of cooked chicken meat into Australia, tabled in 31 October 1996, is to be provided to the Chairman of the Committee shortly.

(6) The comments of the technical working group were taken into account in the redrafting of the protocol for cooked chicken meat. The redrafted finalised version of the protocol was not circulated for further comment by AQIS.

(7) Most of the international trade in chicken is in uncooked product. Most countries do require area certification from avian diseases in their import protocols because these protocols apply to uncooked chicken as well as to cooked product. The quarantine risk associated with uncooked meat is, ceteris paribus, greater than the risk associated with cooked meat.

(8) AQIS has not recommended that a requirement for area certification from avian disease be included in the import protocol for cooked chicken meat as the import conditions apply only to cooked product. On the basis of available scientific information it is considered that the stringent cooking process proposed by AQIS, in combination with other measures such as ante and post mortem veterinary inspection, the presence of a quality assurance system, separate processing of product destined for Australia and food inspection arrangements, effectively minimise quarantine risks associated with the possible presence of avian viruses in chicken meat. Therefore the requirement for area certification cannot be justified on technical grounds.

(9) The Government/industry working group looking at the economic impact of imported chicken meat met once, on 9 July 1996. Industry agreed to the report being sent to the Minister, concluding the Group's work. There have been subsequent meetings in 1997 between DPIE officers and industry representatives regarding structural adjustment.

Representatives on the working group were:

Industry—Gis Marven,President, Australian Chicken Meat Federation; Chairperson, National Poultry Association; Jeff Fairbrother, Executive Director, Australian Chicken Meat Federation; Executive Director, Australian Poultry Industries Association; Len Brajkovich, Representative, Australian Chicken Growers' Council.

Government—Tim Mackey, First Assistant Secretary, Corporate Policy Division, DPIE; Christopher Short, Senior Economist, Agriculture Branch, ABARE; Rob Newman, Director (A/g), Domestic Meat & Livestock Section, Livestock & Pastoral Division, DPIE; Gail Stevenson, Assistant Secretary (A/g), Economic Policy Branch, Corporate Policy Division, DPIE; Nhon Tran, Director, Primary Industry and Environment Section, Structural Policy Division, Treasury; David Poulter, Director (A/g), Economic Policy Branch, Corporate Policy Division, DPIE.

The following DPIE officers also attended the meeting for the relevant discussions on possible adjustment assistance: Judy Barfield, Director (A/g), Operations, Rural Adjustment Scheme Management, Rural Division, DPIE; Bob Calder, Assistant Secretary, Agribusiness Branch, Rural Division, DPIE; Craig Burns, Director, Multilateral Trade Strategy Section, International Branch, Corporate Policy Division, DPIE.

(10) A report was prepared which served as minutes and this has been provided to the Rural and Regional Affairs and Transport Legislation Committee. A copy has been provided to the Senator.

(11) The matter of a structural adjustment package is still under consideration by the Government. The Minister for Primary Industries and Energy will announce the decision in due course.

Subsequent to the Cabinet decision agreeing to AQIS finalising quarantine requirements for the importation of cooked chicken meat, there has also been further consultations with industry. Both the Australian Chicken Meat Federation and the Australian Chicken Growers' Council have provided submissions to the Government in respect of these issues. The Inter-departmental Committee on Post-Quarantine Matters has also considered these issues.

(12) The scientific tests are being conducted now.

(13) (a) Industry representatives were advised of proposed procedures for the confirmatory testing. Comments provided by industry were passed on to Dr Alexander who designed the trials.

(b) Consultations with industry took place on 22 January 1997.

(c) To maximise the value of the results, the trials are being conducted under strictly controlled conditions and accordingly could not be carried out under commercial conditions as suggested by the Senate committee. It is impracticable to carry out trials in a commercial environment with highly infectious strains of virus. However the trials have been designed so that their results will be relevant to variations in oven temperatures which may occur under commercial conditions.

(d) The results of the trials are expected to be available in June 1997.

(14) (a) The tests are being conducted at the Central Veterinary Laboratory, Weybridge, in the United Kingdom.

(b) Dr Dennis Alexander is conducting the tests in collaboration with his colleagues at the Central Veterinary Laboratory.

(15) I have no knowledge of any other consultancies Dr Alexander may be undertaking.

(16) Dr Alexander is a scientist of international renown and is acting as an independent expert, in whom industry has expressed confidence.

(17) (a) AQIS has inspected chicken slaughter and further processing plants in Thailand.

(b) Five establishments were inspected. They comprised one slaughter establishment, two cooking establishments and two integrated slaughter and cooking establishments.

(c) The inspections were conducted by two senior AQIS veterinarians and an industry representative. In addition, a senior officer of the National Residue Survey conducted an evaluation of Thai residue management programs for chicken production.

(d) The members of the technical mission are in the process of preparing their report on the inspections.

(18) AQIS does not intend to inspect plants from all countries seeking to export cooked chicken meat to Australia. In relation to plants in the USA and Denmark, owing to AQIS's long history of dealing with the authorities and systems employed by these countries AQIS will in principle accept the recommendations of veterinary authorities of these countries as to the plants which meet Australia's quarantine requirements, as would generally be the case with respect to Australia's exports to these markets. Periodic audits will be conducted to ensure compliance with required standards.

Apprenticeships: Building and Construction Industries

(Question No. 536)

Senator Bob Collins asked the Minister for Employment, Education, Training and Youth Affairs, upon notice, on 10 April 1997:

(1) How many first year, second year and third year apprentices in each State and Territory were employed in the building and construction industries in 1994,1995, 1996 and 1997 calendar years.

(2) (a) How many apprentices in each State and Territory left these industries before completing their apprenticeship; and (b) why.

(3) What authority determines the conditions of their employment and what are those conditions.

(4) (a) How many apprentices in the calendar years in (1) received their income through the Prescribed Payment System; and (b) is income paid through that system in breach of the terms of their employment as determined by the relevant authority.

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

(1) The National Centre for Vocational Education Research Ltd (NCVER) has been established by the Commonwealth and the State/Territory governments to report on Vocational, Education and Training statistics. While Senator Collins sought data by calendar year, NCVER data is only reported by financial year. It should also be noted that information on year of apprenticeship is not recorded by the NCVER. However, data provided on anticipated completion date could be used to approximate the year of apprenticeship. The numbers provided at Attachment A, therefore, provide an indication only of year of apprenticeship.

(2) (a) The following table provides the number of apprentices who cancelled their apprenticeship in the building and construction industry prior to completion.

Annual Statistics figures by Cancellations for Building Trades persons for FY's 1994/95, 1995/96 AND 1996/97 YTD AS AT 31 MARCH 1997

	1994/95	1995/96	1996/97 to end March 97
NSW	1103	1200	461
VIC	529	544	129
QLD	829	765	348
WA	127	119	38
SA	70	77	24
TAS	30	54	18

	1994/95	1995/96	1996/97 to end March 97
ACT	48	36	18
NT	22	27	14
Australia	2758	2822	1050

(b) NCVER has advised that reasons for apprenticeship cancellations are no longer collected from State/Territory data providers on the basis that information previously collected was incomplete and therefore not valid.

(3) Conditions of employment for apprentices in the building and construction industry are specified in the relevant award or certified agreement made or certified by the Australian Industrial Relations Commission or the State equivalent tribunal, following a process of negotiation and submissions from the industrial parties. As conditions vary between these industrial instruments it is difficult to provide a comprehensive detailed list covering conditions of employment under the terms of all industrial instruments.

(4) The Australian Taxation Office has advised that apprentices do not receive payments through the Prescribed Payments System, it is merely a tax collection system which applies to certain payments for work in specific industries. Apprentices are employees and any salary or wages paid to an employee by an employer is subject to tax instalment deductions under the Pay as you Earn (PAYE) system.

ATTACHMENT A

National Annual Statistics 1994/95 In Training as at 30 June 1995 by Anticipated Completions by Building Trade persons

	Up to 12 months	13 to 24 months	25 to 36 months	37 to 48 months	more than 48	Not Completing	Total
NSW	2403	2461	2744	1749	0	145	9502
VIC	1574	1792	1973	996	0	174	6509
QLD	1597	1620	1921	817	0	248	6203
WA	417	530	603	336	0	48	1934
SA	236	254	321	204	0	33	1048
TAS	125	185	198	133	0	0	641
ACT	94	86	140	110	0	11	441
NT	34	33	60	29	0	5	161
Australia	6480	6961	7960	4374	0	664	26439

National Annual Statistics 1995/96 In Training as at 30 June 1996 by Anticipated Completions by Building Trade persons

	Up to 12 months	13 to 24 months	25 to 36 months	37 to 48 months	more than 48 months	Not Completing	Total
NSW	2205	2625	2625	1661	0	244	9360
VIC	1616	1903	1786	1219	0	139	6663
QLD	1564	1813	1421	741	0	136	5675
WA	406	547	516	415	0	43	1927
SA	233	295	288	201	0	8	1025
TAS	153	180	166	140	0	6	645
ACT	86	117	128	92	0	24	447

	Up to 12 months	13 to 24 months	25 to 36 months	37 to 48 months	more than 48 months	Not Completing	Total
NT	39	45	43	55	0	6	188
Australia	6302	7525	6973	4524	0	606	2593

National Annual Statistics 1996/97 In Training as at 31 March 1997 by Anticipated Completions by Building Trade persons

	Up to 12 months	13 to 24 months	25 to 36 months	37 to 48 months	more than 48	Not Completing	Total
NSW	2540	2703	1953	1336	0	0	853
VIC	1730	1958	1593	1087	0	0	636
QLD	1702	1594	954	658	0	3	491
WA	471	534	453	459	0	2	191
SA	281	291	115	124	2	2	815
TAS	153	173	135	112	0	0	573
ACT	97	137	91	65	0	0	390
NT	35	39	62	45	0	0	181
Australia	7009	7429	5356	3886	2	7	236

Note: The 'not completing' category represents those apprentices classed in training at the above dates who were subsequently cancelled, withdrawn or expired and as such no longer had an anticipated completion date.

Aboriginal and Torres Strait Islander Affairs: Programs and Grants

(Question No. 548)

Senator Bob Collins asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 10 April 1997:

(1) What programs and or grants administered by the Minister's portfolio provide assistance to people living in the following federal electorates: (a) the Northern Territory; (b) Kalgoorlie; (c) Leichhardt; (d) Herbert; (e) Kennedy; and (f) Capricornia.

(2) (a) What was the level of funding provided through the programs or grants in (1) to each electorate for the 1994-95 and 1995-96 financial years; and (b) what level of funding was budgeted for in each electorate for each program or grant for the 1996-97 financial year.

Senator Herron—The Aboriginal and Torres Strait Islander Commission has provided the Minister for Aboriginal and Torres Strait Islander Affairs with the following information in response to your questions:

(1) All Aboriginal and Torres Strait Islander Commission (ATSIC) programs are available to indigenous Australians living in the Electorates listed. Details are contained in ATSIC's Annual Reports and Portfolio Budget Statements.

(2) The information is detailed in Attachment B. The dissemination of ATSIC funds is essentially by Regional Council rather than by Federal electorate boundary. The two do not align. As ATSIC computer systems collect data accordingly, the figures provided have been manually prepared on the basis of a number of assumptions which may impact on their validity including the following:

. The location of registered offices of organisations in receipt of ATSIC funds may differ to the geographic location where expenditure occurs.

. State Grants are disbursed by State authorities and may cross electorates in which case the location of expenditure will differ from ATSIC records.

. A substantial proportion of ATSIC funding is of a capital nature distorting year-on-year comparisons.

Attachment B: Program Expenditure By Electorate

Aboriginal and Torres Strait Islander Commission

Electorate	1994/1995	1995/1996	1996/1997
	$	$	$
Capricornia	8,545,297	6,431,710	5,773,636
Herbert	17,952,392	14,395,173	9,642,658
Kalgoorlie	140,120,581	143,374,414	184,680,627
Kennedy	26,294,699	33,863,918	39,032,836
Leichhardt	77,834,154	76,722,007	63,882,997
Northern Territory	172,599,838	200,321,834	197,118,952
Total	443,346,961	475,109,056	500,131,706
Torres Strait Regional Auth-			
Leichhardt	19,210,128	29,748,052	39,964,939

Australia New Zealand Food Authority

(Question No. 550)

Senator Bob Collins asked the Minister representing the Minister for Health and Family Services, upon notice, on 10 April 1997:

(1) How many officers in the Australia New Zealand Food Authority were employed in the administration of the Imported Food Inspection Program in the 1994, 1995, 1996 and 1997 calendar years.

(2) (a) What was the cost of administering the program in the 1994-95 and 1995-96 financial years; and (b) what amount was allocated for this purpose in the 1996-97 financial year.

Senator Newman—The Minister for Health and Family Services has provided the following answer to the honourable senator's question:

(1) The number of Australia New Zealand Food Authority officers allocated to the Imported Food Inspection Program has remained constant over the years 1994, 1995, 1996 and 1997 at 0.72 Full Time Equivalents (FTE).

(2) (a) The cost of administering the program in 1994-95 and 1995-96 is not available as program budgeting was introduced just prior to the current financial year. It would be highly likely that the cost for these two years was very similar to the cost for 1996-97.

(b) $86,000 has been allocated for this purpose in 1996-97.

Railways

(Question No. 554)

Senator Margetts asked the Minister representing the Minister for Transport and Regional Development, upon notice, on 15 April 1997:

With reference to the responses to questions on notice nos. 2066 and 2091 (Senate Hansard, 19 June 1995, pp 1380 and 1395, respectively) and question on notice no. 200 (Senate Hansard, 26 November 1996, p.6069):

(1) Has the Kalgoorlie Consolidated Gold Mines (KCGM) Pty Ltd conducted a freeboard study and a dam break study to determine the risks posed by the Fimiston II tailings dam structure to the Australian National Railway line on Hampton Location 32; if not, why not.

(2) If the studies were completed, who undertook the studies on freeboard and dam break for KCGM Pty Ltd.

(3) Can a copy of each study be provided; if not, why not.

(4) Can the Minister comment on the risks posed by the Fimiston II tailings dam to the Australian National Railway line and the impact of an incident which damages the line adjacent to the tailings dam on the commercial links between Western Australia and the eastern States.

Senator Alston—The Minister for Transport and Regional Development has provided the following answer to the honourable senator's question:

(1) The activities of KCGM fall outside the Minister's portfolio responsibilities and he is unable to comment. However, in relation to assessment of risk for dam failure or other causes, see the answer to question 4.

(2) & (3) The activities of KCGM fall outside the Minister's portfolio responsibilities and he is unable to comment.

(4) The Australian National Railways Commission (AN) (in consultation with KCGM) assesses the likelihood of an incident which would damage the line and affect commercial links between Western Australia and the eastern states as very low. The most likely such incident would involve dam failure caused by either seismic activity, heavy rain, or spillage from overfill. AN has assessed the risk of dam failure as very low and advises that during Cyclone Bobby, which caused the largest flood in the Kalgoorlie/Zanthus area since the line was built, the dam did not overflow and neither did it affect the water flow in local watercourses.

Nevertheless, a plan has been drawn up to deal with two types of emergency:

In the case of total dam failure (eg from seismic activity), trains would be stopped from entering track from 1767.500km to 1773.000km. AN has assessed the probability of failure from seismic activity as very low.

Should cyclonic activity be imminent with the possibility that a line washout may exist, a precautionary speed restriction will be applied until the site has been checked.

Aircraft Accident Aboard USS *Independence*

(Question No. 560)

Senator Margetts asked the Minister representing the Minister for Defence, upon notice, on 24 April 1997:

(1) Can the Minister confirm that, on 2 April 1997, following the collapse of the undercarriage of an FA-18 Hornet during a take-off accident aboard the carrier USS Independence, the damaged jet made an emergency landing at Williamtown air base; if so: (a) what costs and damages did the United States plane cause to the RAAF base at Williamtown; and (b) who will pay for these costs and damages; if not, where did the jet make its emergency landing.

(2) Does the Minister accept the official reason the entire third runway at Sydney International Airport was closed during this incident was in order to allow the injured sailor from the USS Independence to be landed by helicopter; if so, what justification is there for closing an entire runway for a helicopter.

(3) Given that at least 15 planes were in the air when the damaged jet spread debris over the deck of the USS Independence, where did they land.

(4) Was the whole of the south east sector of Sydney air space reserved for 4 hours while the mess was being cleared up.

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

(1) Yes.

(a) The United States aircraft caused no damage to the RAAF Base at Williamtown. The following costs were incurred: Fuel—$2,663.03; Accommodation—$1,278.20; Vehicles—$1,736.20; Personnel—$11,592.43.

(b) The United States Navy will be charged with the cost of fuel. However, the remainder of the costs will be met by the RAAF.

(2) This is a matter for the Minister for Transport and Regional Development.

(3) The 18 United States aircraft in the air at the time of the incident landed on the USS Independence.

(4)This is a matter for the Minister for Transport and Regional Development.

Karri Forests

(Question No. 564)

Senator Murray asked the Minister for the Environment, upon notice, on 30 April 1997:

(1) Is it a fact that some or all of the karri trees to be taken from the National Estate interim-listed old-growth karri forests of Giblett block near Pemberton in Western Australia are destined for export to South Africa to be used as mine support stays; if so: (a) how much karri from Giblett will be used for this purpose; (b) what will be the total value and volume of Giblett karri for this particular export market; (c) which company or companies hold the contract for this export; and (d) which South African companies or government agencies are purchasing the karri timber.

(2) Has the Minister or the Commonwealth approved the export of this timber; if so: (a) when;

(b) can full details be provided; and (c) why was approval given for this inappropriate use of a world famous, unique and disappearing old-growth forests

(3) Is this karri timber being supplied at below economic returns to Australia.

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

(1-3) The information sought by the honourable senator does not fall within my portfolio responsibilities. I suggest he direct his question to my colleague, the Minister for Resources and Energy.

Commonwealth Services Delivery Agency: Non-Executive Board Members

(Question No. 566)

Senator Margetts asked the Minister for Social Security, upon notice, on 2 May 1997:

With reference to the ministerial appointment of three non-executive members to the interim board for the 'one stop shop' Commonwealth Services Delivery Agency, namely Christine Gillies (head of information technology, Bank of Melbourne), Philip Pearce (former company director, Australian Resources Ltd), and John Thame (former managing director, Advance Bank):

(1) What amount in salaries, honorarium, consistency fees or other income has been set for each of these three serving on the interim board.

(2) What is the annual benefit of one unemployed adult on Jobsearch.

(3) Why was no unemployed person appointed to the interim board.

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

(1) An annual fee of $20,000, determined by the Remuneration Tribunal.

(2) $8,359 per annum, single adult (21 and over) with no dependants.

(3) The three non-executive appointments which have been made to the Agency's interim board are those individuals considered by the Government to be well placed to make an effective contribution to the exercise of the board's functions and powers. These provisions are included at Section 12 of the Commonwealth Services Delivery Agency Act 1997.

Australian Political Exchange Council

(Question No. 571)

Senator Brown asked the Minister representing the Minister for Administrative Services, upon notice, on 7 May 1997:

(1) What amount was appropriated to the Australian Political Exchange Council in the budgets for: (a) 1992-93; (b) 1993-94; (c) 1994-95; (d) 1995-96; and (e) 1996-97.

(2) Does the appropriation for the council include the costs of administering the organisation and its program; if not, what does it cost the department for administration.

(3) Where and how is the composition of the council determined.

Senator Kemp—The Minister for Administrative Services has provided the following answer to the honourable senator's question:

(1) The following amounts were appropriated for conduct of the Australian Political Exchange Council's program: (a) $361,000; (b) $371,000; (c) $382,000; (d) $393,000 and (e) $406,000.

(2) The Department provides a secretariat of two staff together with office accommodation and facilities. The salary costs in 1996-97 will be $ 115,000 and the other costs are included in the running costs of the Ministerial and Parliamentary Services Division.

(3) The composition of the Council was determined by the then Prime Minister at its inception in 1981 and endorsed by subsequent Prime Ministers. The Council's principals are the leaders of the four major political parties. Their representatives are nominated to be members of the Council and the Chairman is appointed by agreement of the principals.

Special Broadcasting Service

(Question No. 575)

Senator Brown asked the Minister for Communications and the Arts, upon notice, on 7 May 1997:

(1) (a) Is it a fact that the Special Broadcasting Service (SBS) Indonesian news program broadcast every morning at 11 am is taken without editing from the Indonesian broadcaster TVRI; and (b) what is the cost.

(2) Is the program fair and balanced or does it, by bias and omission, reflect the Soeharto regime's disdain for democracy and freedom of speech.

(3) Does SBS make any disclaimer about the Indonesian service or is it accepted as according with Australian journalistic ethics.

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

(1) (a) Yes. SBS re-broadcasts in unedited form TVRI's main evening news bulletin from Jakarta at 1100 Monday to Saturday as part of its WorldWatch schedule of overseas news services.

(b) Nil. The Indonesian state broadcaster makes the signal available without charge and SBS accesses the program via its own satellite downlink facilities.

(2) SBS makes no judgement on the editorial content of the foreign language news programs included in the WorldWatch schedule. The purpose of WorldWatch is to provide access to news, views and pictures not seen elsewhere in Australia, thus adding to the diversity of information available to the Australian community. WorldWatch provides an insight into the way issues and events are reported overseas while allowing an Australian audience to draw its own conclusions.

(3) There are no disclaimers preceding or following any of the WorldWatch news bulletins. The host broadcasters are clearly identified by opening and closing titles, with the unsubtitled foreign languages also indicating overseas origin.

Unexploded Ordnance: Northern Australia

(Question No. 578)

Senator Lees asked the Minister representing the Minister for Defence, upon notice, on 7 May 1997:

(1) Who is responsible for the recovery and safe disposal of unexploded World War II (WWII) ordnance which is widely distributed across northern Australia.

(2) What is the proposed timetable for the recovery and safe disposal of unexploded WWII ordnance.

(3) Who is responsible for alerting citizens and bodies to the existence and location of unexploded WWII ordnance.

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

(1-3) The Commonwealth policy on the management of land affected by unexploded ordnance was issued by the then Prime Minister to the State Premiers and Chief Ministers in 1990. The policy requires Defence to maintain a comprehensive record of possible unexploded ordnance sites, render safe reported unexploded ordnance, provide technical advice, inform the public of dangers and seek to influence development and zoning proposals affecting land potentially contaminated by unexploded ordnance.

The Commonwealth conducts assessments and hazard reduction activities on Commonwealth or Defence owned land which is proposed for disposal. However, the Commonwealth has consistently maintained that it does not accept responsibility for unexploded ordnance contamination on land which it does not have, or has not had, any legal interest. Notwithstanding this general policy, the Department of Defence has staff whose task it is to render safe unexploded ordnance and will make that staff available upon request should items of unexploded ordnance be found. The Department is also responsible for taking all measures to prevent unauthorised access to areas controlled by it that are believed to be contaminated by unexploded ordnance.

Consistent with the policy, the Commonwealth is undertaking a program of preparing site contamination reports to assist State and local government planning authorities in land use planning. Timings for the program cannot be determined due to the varying extent and accuracy of available information, and the nature and location of the areas concerned. In recent months, the Department, in consultation with Queensland State and local government authorities, has conducted a public awareness campaign, particularly directed at children, to warn of the dangers of handling unexploded ordnance.

Senators and Members: Staff

(Question No. 584)

Senator Colston asked the Minister representing the Minister for Administrative Services, upon notice, on 13 May 1997:

(1) Which staff attached to Australian Labor Party and Australian Democrat senators and Australian Labor Party members of the House of Representatives for the years 1992, 1993, 1994, 1995, 1996 and for 1997 up to and including 3 march 1997, were paid: (a) travel allowance; and (b) overtime.

(2) To whose offices were the staff members mentioned in (1) attached.

(3) By year and for the total of the years 1992 to 1997, what were the associated payment of: (a) travel allowance; (b) overtime; and (c) a total of (a) and (b) for individual staff members.

Senator Kemp—The Minister for Administrative Services has provided the following answer to the honourable senator's question:

(1)—(3) The highly detailed information sought in the honourable senator's question is not readily available in consolidated form and it would be a major task to collect and assemble it. The practice of successive government has been not to authorise the expenditure of time and money involved in assembling such information on a general basis. I intend to follow the established practice which is that, if the honourable senator wishes to know the details of any particular staff member, I shall examine the matter to see if that information can

be collated without the diversion of substantial resources.

Senators and Members: Staff

(Question No. 593)

Senator Faulkner asked the Minister representing the Minister for Administrative Services, upon notice, on 13 May 1997:

(1) Which staff employed by all federal members and senators under the Members of Parliament (Staff) Act 1984. excluding staff attached to the Australian Labor Party and Australian Democrats senators and Australian Labor Party members of the House of Representatives, for the years 1992, 1993, 1994, 1995, 1996 and for 1997 up to and including; 3 March 1997, were paid: (a) travel allowance; and (b) overtime.

(2) To whose offices were the staff members mentioned in (1) attached.

(3) By year and for the total of the years 1992 to 1997. What were the associated payments for (a) travel allowance; (b) overtime; and (c) a total of (a) and (b), for individual staff members.

Senator Kemp—The Minister for Administrative Services has provided the following answer to the honourable senator's question:

(1)—(3) The highly detailed information sought in the honourable senator's question is not readily available in consolidated form and it would be a major task to collect and assemble it. The practice of successive government has been not to authorise the expenditure of time and money involved in assembling such information on a general basis. I intend to follow the established practice which is that, if the honourable senator wishes to know the details of any particular staff member, I shall examine the matter to see if that information can be collated without the diversion of substantial resources.

Pharmaceutical Benefits Scheme

(Question No. 596)

Senator Colston asked the Minister representing the Minister for Health and Family Services, upon notice, on 15 May 1997:

With reference to the statement in the 1997-98 Budget speech by the Treasurer that the Government has also decided to delete from the Schedule of Pharmaceutical Benefits a number of drugs used to treat less serious medical conditions, most of which can be obtained without a prescription:

(1) What are the drugs which will be deleted from the schedule.

(2) For which medical conditions are these drugs used.

(3) Which of these drugs cannot be obtained without a prescription.

(4) What is the approximate retail cost of a normal supply of these drugs.

(5) When will these drugs be deleted from the schedule.

Senator Newman—The Minister for Health and Family Services has provided the following answer to the honourable senator's question:

(1) See column B. List sets out the drug name with examples of brands in column C.

(2) These are described in column A.

(3) In column C, products identified with an S4 means that they are prescription only. Other drugs can be obtained without a prescription.

(4) See columns D and E. Column D identifies the price for a product obtained Over-The-Counter (OTC) without a prescription. Column E gives the price to the patient for prescription only products.

(5) The deletions will take effect from 1 November 1997.

A Drug Group	B Generic name	C Brand name	D Approx OTC price	E Approx Dispensed price
Anti-spasmodics	Belladonna alkaloids	Atrobel (S2)	$2.70	
(for treating gastro intestinal disorders e.g. stomach cramps)		Atrobel Forte (S2)	$2.80	
		Donnatob (S2)	$4.95	
Anti-Diarrhoeals	Diphenoxylate/Atropine	Lomotil (S4)		$10.00
(for treating gastro intestinal disorders e.g. diarrhoea)		Lofenoxal (S4)		$9.10
	Aluminium Hydrox/Kaolin	Kaomagma (not scheduled)	$5.80	
		w/-Pectin	$9.65	
Topical anti-inflammatories	Methyl Salicylate	Linsal (not scheduled)	$2.35	
(for pain relief of sprains and muscle strains)		Metsal liquid (not scheduled) 50g	$2.45	
		100g	$6.35	
			$9.30	

A Drug Group	B Generic name	C Brand name	D Approx OTC price	E Approx Dispensed price
Anti-emetics (for control of vomiting)	Promethazine theoclate	Avomine (S2/S3)	$8.05	
Anti-fungals (for treatment of fungal infections)	Terbinafine hydrochloride Amorolfine hydrochloride	Lamisil (S4) Loceryl (S4)		$195.00 $131.10
Extemporaneous preparations—(used to be mixed by the pharmacist, but are now mostly being supplied in a pre-packaged form by manufacturers).	Aqueous cream, Calamine cream Cetomacrogol aqueous cream Cetrimide cream Chlorhexidine cream Cold cream Methyl salicylate compound cream Ichthammol glycerin Methyl salicylate compound liniment turpentine liniment Aluminium acetate aqueous lotion Calamine lotion Calamine oily lotion Ipecacuanha and toluene mixture Potassium iodide and stamonium compound mixture, Emulsifying ointment Methyl salicylate ointment Methyl salicylate compound ointment Paraffin ointment Simple white ointment Zinc and Castor oil ointment Spirit soap			

Ministerial Staff

(Question No. 598)

Senator Faulkner asked the Minister representing the Minister for Administrative Services, upon notice, on 16 May 1997:

Can an update be provided, as of 15 May 1997, of the table provided in answer to question on notice No. 193 (Weekly Senate *Hansard*, 16 September 1996, p 4342) relating to the number and classification of ministerial staff positions, including the salary range applicable to each classification.

Senator Kemp—The Minister for Administrative Services has provided the following answer to the honourable senator's question:

Classification	Number of positions	Salary Range
Consultant	1	$68,228-$122,136
Principal Adviser	5	$68,228-$122,136*
Senior Adviser	40	$68,228-$110,554*
Media Adviser	32	$50,931-$90,580*
Adviser	82	$50,931-$68,497*
Assistant Adviser	51	$41,430-$47,591 *
Clerk to Whip	7	$38,359-$47,591*
Personal Secretary	78	$23,938-$40,675#

* Ministerial Staff Allowance (MSA) currently $ 11,424 per annum, is payable in addition to salary, to occupants of these positions. MSA is by way of compensation for long and irregular hours and other special features of the positions.

\# Personal Secretaries whose salary is at the AS04 (ie $34,391) or above salary may elect to receive MSA rather than overtime.

Summary of staff establishment changes since response to Senate question on Notice 193:

. Adviser position unallocated within the Government Block was reclassified to Assistant Adviser and reallocated to the Attorney General [= 79 Adviser, 51 Assistant Adviser]]

. Assistant Adviser position in the Government Members Secretariat was reclassified to Adviser [= 80 Adviser, 50 Assistant Adviser]

. Assistant Adviser on Prime Minister's staff reclassified to Adviser [= 81 Adviser, 49 Assistant Adviser]

. Personal Secretary on Prime Minister's staff reclassified to Assistant Adviser [= 50 Assistant Adviser, 78 Personal Secretary]

. Additional Assistant Adviser approved for the Minister for Family Services [= 51 Assistant Adviser]

. Additional Adviser position allocated to the Parliamentary Secretary to the Prime Minister [=82 Adviser]

Uranium Ammunition

(Question No. 599)

Senator Margetts asked the Minister representing the Minister for Defence, upon notice, on 20 May 97:

(1) What stocks of depleted uranium munitions does the department or any other Government department or agency have.

(2) Please categorise this data of munitions with depleted uranium by type of munitions.

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

(1) Defence does not stock depleted uranium munitions and has no knowledge of any other Government department or agencies' holdings.

(2) Not applicable.

Functions for Visiting Heads of State or Heads of Government

(Question No. 608)

Senator Colston asked the Minister representing the Prime Minister, upon notice, on 26 May 1997:

Since 1983: (a) on what dates were luncheons or dinners held at Parliament House to honour a visiting head of state or head of government; (b) who was that person; (c) were senators, members and their spouses invited to the function; (d) was the visiting head of state or head of government accompanied by his or her spouse; if so, who was he or she; and (e) what was the cost of each function.

Senator Hill—The Prime Minister has provided the following answer to the honourable senator's question:

The detailed information referred to in the honourable senator's question is not readily available in consolidated form. To collect and assemble such information solely for the purpose of answering the honourable senator's question would be a major task and I am not prepared to authorise the expenditure of resources and effort that would be involved.